



***Beyond Welfare:
Cass and Williams
Counties' TANF Pilot
Projects***

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north dakota
**department of
human services**

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PREFACE

Pilot projects, by definition, attempt something new. The results may justify wider implementation of new methods. This report discusses the outcome of two pilots. While the report hopes to handle the findings in an objective manner, that many people have contributed to an effort aimed at improvement in the delivery of services must also be noted.

Welfare reform in North Dakota pre-dates the legislation that created the Temporary Assistance to Needy Families (TANF) program at the national level. Groundbreaking efforts are possible only by the work of many dedicated individuals. County Social Service Directors and their staffs played a large role in North Dakota's TEEM project of the early to mid-1990s in the 11 counties that initiated that program. Likewise, county eligibility staff and supervisors contributed to the design and successful implementation of the Cass and Williams Counties' pilot projects. Sidney Schock and Alice Swenson of Cass County and Lois Reiersen of Williams County were the leads in the effort. Job Service of North Dakota through their administration of the JOBS contract also cooperated in developing the special collaborative efforts central to the pilot projects. In Cass County, Kathy Morahgen, who works with clients with mental illness, should be recognized for the enthusiastic shift in service delivery to the social service office setting.

Another important component of the pilot projects was the close attention and mentoring paid to each pilot program by the Department of Human Services. This was done aptly by John Opp, a veteran administrator with experience in county agencies and the state office. Retirement, it seems, only made him more available for this type of important work.

The evaluation effort included staff from the Department's Research and Statistics Unit. All R&S staff members contributed to the planning and a discussion of methods. Mike Sjomeling generated much of the analysis with contributions from Clint Boots, Ron Getsman, and Don Kaiser. Michael Schaff and Sheena Peterson prepared charts and tables.

ABBREVIATIONS AND GLOSSARY

ADATABASE. Format for the storage of electronic data.

Adult Included TANF Case. A TANF case in which the parent (or other adult) receives a benefit for the needs of the children and for themselves. Adult receipt of a benefit brings requirement for work activities. See also Child Only TANF Case and Work Activity.

AFDC. Aid to Families with Dependent Children, the federally funded, state administered, cash assistance welfare program prior to July 1, 1997. See also TANF.

Assistance. Cash benefit paid to needy family. Other non-cash services may also be considered assistance. Some benefits and services are not considered assistance when the adult is employed with earnings.

Barrier. Situations that pose an impediment to a TANF client. Common problems include lack of reliable transportation and child care. Language skills, job history, health status are other areas that interfere with obtaining self-sufficiency.

Benefit. Cash, in-kind services, or reimbursements paid to a third party for the support of a needy family.

Case. In economic assistance programs refers to a household or family unit. A TANF case includes the deprived children and their parent(s) or caretaker. See also Client.

Case Manager, TANF. In the pilot project, a staff person whose duties include bringing together a variety of support services and social service professionals toward the improvement of a TANF family's circumstances. See also Eligibility Worker.

CCAP. Child Care Assistance Program makes payments to provide child care for TANF clients and others who are employed, involved in work activities, or in education/training.

Child Only TANF Case. TANF cases with no parent present may receive payments only for the needs of the children, not the adult who is caring for the child (ren). There is no requirement of the adult for work activities in Child Only cases. See also Adult Included TANF Case.

Client. In economic assistance programs client refers to an individual. Together clients may make up a case. See also Case.

DB2. A format for the storage of electronic data.

Disregard, Income. When calculating the TANF monthly benefit, a portion of earned income is not counted. This makes for a larger benefit, providing an incentive to seek and find paid employment.

Eligibility Worker. County social service agency staff who processes TANF applications, calculates benefits, develops supportive relationships with TANF clients, and verifies documentation. See also Case Manager, TANF.

Indian County. As used in this study, Rolette and Benson counties are sometimes considered differently due to recognition in federal law of Indian reservations with high unemployment rates. The 60-month lifetime limit to receipt of TANF assistance does not apply in these areas.

JOBS. Job Opportunity and Basic Skills program is an adjunct to the TANF program wherein TANF clients are involved in actions leading to paid employment.

Leaver. Refers to a person who has left the TANF program.

Mentor. In the Williams County TANF program, the mentor is a social service agency staff person who works closely with clients who need help to overcome barriers and crises.

MH/SA. Mental Health and Substance Abuse counseling services are often discussed in tandem.

Pilot Project. Local variations in the administration of the TANF program to test alternative policies before possible use in the statewide program.

PRWORA. Personal Responsibility and Work Opportunity Reconciliation Act of 1996, commonly known as Welfare Reform, was signed into law on August 26, 1996 creating the TANF program. See also TANF.

Recidivism. When, after leaving TANF, a family re-applies and returns to receiving TANF benefits.

Referral. Eligibility for TANF depends on the family fulfilling mandatory referrals to other programs, especially the JOBS program. Other, non-mandatory referrals direct families to needed services.

Sanction. TANF clients who do not participate in required work activities may be penalized by a reduction of benefits or the closure of the TANF case.

Sanction, “Cure.” By performing required activities a TANF client may have their sanction lifted, or “cured,” allowing them to receive the full amount of the TANF benefit.

Sanction, Progressive. Standard policy in non-pilot project counties until March 2003 was to impose sanctions of a grant reduction for an increasing number of months for clients receiving multiple sanctions.

SEHSC. Southeast Human Service Center in Fargo, ND, provides mental health and substance abuse counseling services to low income individuals.

Self-Sufficiency. A family’s ability to provide for its needs. For the purpose of this study and for TANF program administration self-sufficiency is defined as non-receipt of TANF. Under this definition a family may still be eligible for other economic assistance such as Food Stamps. See also Barrier.

Service, TANF. Additional services beyond the cash grant include services that enhance family well being or support a family's efforts toward self-sufficiency. Examples include health screenings for children and transportation assistance.

TANF. Temporary Assistance for Needy Families, the cash assistance welfare program in effect since July 1, 1997 in North Dakota. See also PRWORA.

TECS. Technical Eligibility Computer System. Mainframe based system used to process several economic assistance programs, especially Food Stamps.

TEEM. Training, Education, Employment, and Management program. This was the welfare reform experiment conducted in North Dakota starting in 1996 under a waiver to the AFDC program granted by U.S. Department of Health and Human Services. Eleven counties participated. Policies in the TEEM program shared similarities with the pilot projects that are the subject of this report. Replaced by TANF beginning July 1, 1997.

Unduplicated. Refers to a method of counting program participants. An unduplicated count only counts an individual once for a reporting period regardless of the number of times he or she used the program or received benefits.

Vision System. Client server based, next generation, information system currently used for the administration of the TANF program and parts of the Medicaid program.

Welfare. Often a generic term for government support for individuals and families. Within social services administration, the term, welfare, might refer only to the cash assistance TANF program.

Welfare Reform. Refers to changes in administration of welfare programs, especially cash assistance, with greater emphasis on work. Reform began with experimentation on the state level and growing to the passage of federal legislation creating the TANF program in 1996. Efforts continue through state initiative such as pilot projects. See also PRWORA.

Work Activity. A requirement of welfare reform is for the client to be involved in activities intended to lead to, and include, paid employment. Activities might include job search, basic skills training, work experience activities, on-the-job training, and employment. For some clients work activities could involve efforts to address health problems.

ABSTRACT

The Temporary Assistance for Needy Families (TANF) program provides time-limited cash assistance to eligible families with deprived children. The TANF program stresses reducing dependency through job preparation and work. In response, Cass and Williams counties implemented similar pilot projects to test new approaches to case management. This report outlines the pilot projects and presents data that suggests they have been successful.

SUMMARY

For over 60 years, the traditional welfare program, most recently known as Aid to Families with Dependent Children (AFDC), provided cash assistance to needy families with dependent, deprived children. In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was signed into federal law, eliminating the old AFDC program and replacing it with the Temporary Assistance for Needy Families (TANF) program. The new law also allowed states to design their own TANF programs and granted them the authority to test policy changes.

North Dakota created several pilot projects, two of which are examined in this report. Williams and Cass counties initiated policy alternatives, different in some details, but broadly similar in approach.

The steering committees at each site identified underlying problems that impede TANF families from obtaining self-sufficiency.

- **Mental Health Issues**
- **Substance Abuse**
- **Child Care – especially for nights and weekends**
- **Education and/or Training Deficiencies**
- **Reliable Transportation**
- **Client Avoidance of Services**

Services in these areas are available to TANF clients.

The fundamental feature of the pilot projects is **case management**—*the coordinated involvement of the county social service agency and local service providers targeted to client needs and with the goal of self-sufficiency.*

Preceding from this philosophy, the pilot projects developed policies to facilitate a shift to a case management paradigm.

Pilot Project Approach and Study Methods

The pilots were developed locally but coordinated by the ND Department of Human Services starting in March 2000 for Williams County and August 2000 for Cass County. These sites were supported because of the opportunity for comparison between an economically vibrant urban area (Cass) and an under performing rural economy (Williams). Would a similar approach work in both areas?

Evaluation is meant to determine if the pilot project worked as intended, provide details of project administration, communicate findings to interested groups, and provide a foundation for possible replication of policy alternatives in other areas of the state. The approach to the study was to compare program impacts and client outcomes for each site from the period near the start of the pilot project to points in time well after implementation. Whenever appropriate, or depending on data availability, the pilot counties are compared with non-pilot areas.

Summary of Policies and Key Findings

Pilot Project Feature	Findings – Cass County	Findings – Williams County
Agency Collaboration – In day-to-day interactions between the county social service office and the JOBS Opportunity and Basic Skills (JOBS) program administered by Job Service of ND. Case planning always includes these two with other agencies and individuals included depending on client needs.	<p>*Increase from 82% to 94.8% of TANF clients who left program within 1 year.</p> <p>*Of those on TANF at start of pilot, 90% have left.</p> <p>*Each quarter as the pilot project progressed, those leaving TANF had higher earnings 1 year after leaving.</p>	<p>*Increase from 81% to 90.0% of TANF clients who left program within 1 year.</p> <p>*Of those on TANF at start of pilot, 75% have left.</p> <p>*As the pilot project progressed those leaving TANF had higher earnings 1 year after leaving.</p>
Agency Co-location – Cass – JSND staff was located at the social service office, as was a mental health professional.	<p>*Patterns of use for Food Stamps and Medicaid remained constant in pilot counties and statewide; patterns for TANF changed drastically but only in pilot counties.</p> <p>*Increase in the percentage those available for work activity.</p> <p>*See also Sanction as co-location is believed to have an impact on service delivery.</p>	N/A
Mental Health and Substance Abuse Services – Cass – A counselor worked half time at the social service office exclusively with TANF clients.	MH/SA services increased by 28%	N/A
Mentor – Williams – A staff person was dedicated to keeping a close connection with especially challenged TANF clients.	N/A	Mentor works with most difficult clients, develops plans, sets goals, and provides incentives for meeting objectives. Specific data not yet available.
Incentives for Earnings and Program Involvement	<p>An additional 15% (on avg.) of TANF cases took advantage of employment incentives.</p> <p>*As the pilot project progressed those leaving TANF had higher earnings 1 year after leaving.</p>	<p>An additional 15% (on avg.) of TANF cases took advantage of employment incentives.</p> <p>*As the pilot project progressed those leaving TANF had higher earnings 1 year after leaving.</p>

Pilot Project Feature	Findings – Cass County	Findings – Williams County
Child Care Assistance – Cass – A bundled benefit was paid to the family together with the TANF assistance to improve options.	Learned that this approach was administratively unworkable after trying for 18 months.	N/A
Education and Training Incentives – Payments were made for obtaining a diploma or GED and for some other courses. A strong emphasis on education and training.	Use of education to meet work activity requirements increased from 10% of cases to 50%	Data not available
Sanctions – Clear and swift penalties imposed for non-compliance with work activity requirements. Eliminated long periods of partial benefits requiring no service contact by clients.	<p>*Number of sanctions increased by 16%. One month partial benefit before case closure for non-compliance.</p> <p>*TANF use after sanction fell from 9.4 months to 2.5.</p> <p>*Average time spent in sanction decreased from 3.0 months to 1.7.</p> <p>*The percentage using TANF after sanction fell from 66% to 34% of those sanctioned.</p>	<p>*Number of sanctions down by 37%. A full case closure occurs for non-compliance.</p> <p>*TANF use after sanction fell from 9 months to 5.4.</p> <p>*The percentage using TANF after sanction fell from 39% to 29%.</p> <p>*Earnings for those who were sanctioned were less than non-sanctioned.</p>

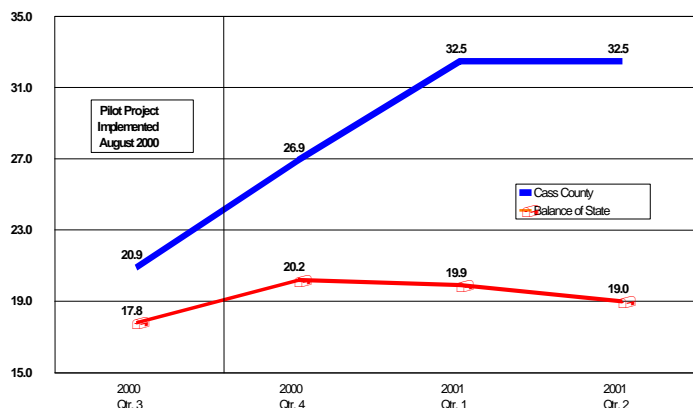
Implications for Program Administration

- **Clients were on TANF for shorter lengths of time.**
- **Clients earned more after they left TANF.**
- **Clients stayed off TANF.**
- **Pilot may have led to a 40% reduction in cases, on average, per month.**
Had TANF program use patterns remained the same in Cass County, for example, there would have been 40% more cases, on average, per month.
- **Pilot may have saved \$545,000 per year in TANF expenditures in Cass County.**
- **The administrative cost per case may be higher due to more intensive efforts and because a higher percentage of cases are new or recent applicants, which are more expensive to administer.**

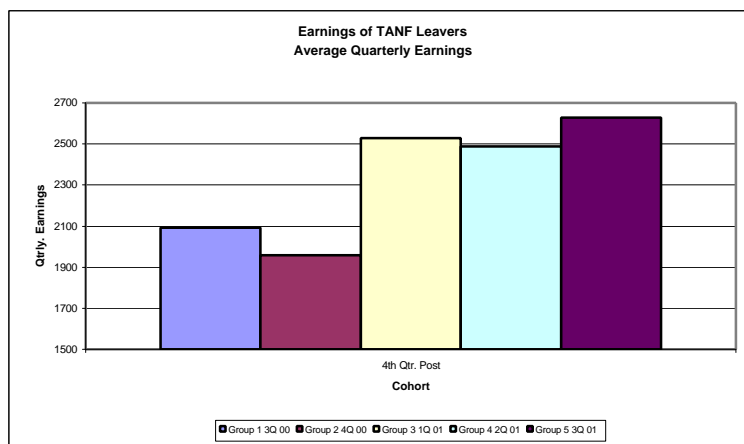
Results At-A-Glance

Three graphs for each site provide a good summary view of the results. Shown below are graphs depicting the increase in work activities, the increase in earnings after TANF, and the changes in the application of sanctions.

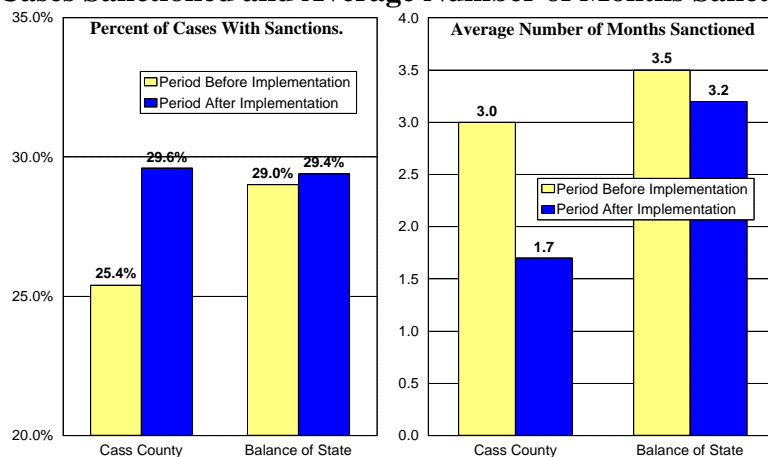
**Average Weekly Hours in Work Activities – Cass County
(TANF Clients Who Participated in the JOBS Program)**



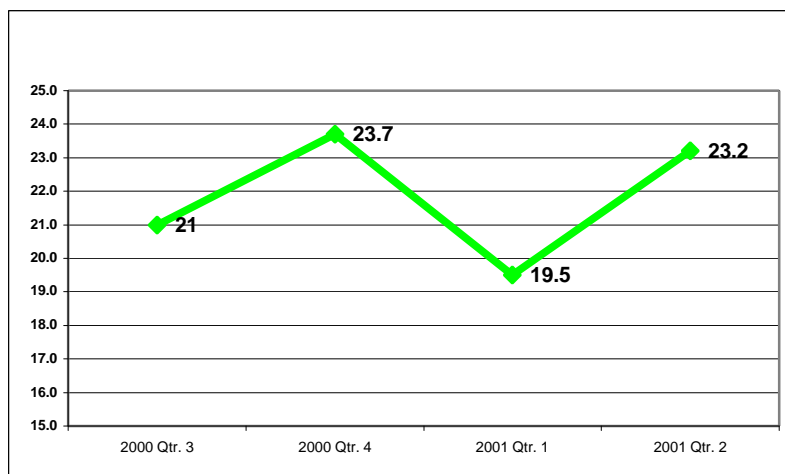
Increase Earnings 4 Quarters Post TANF Exit – Cass County



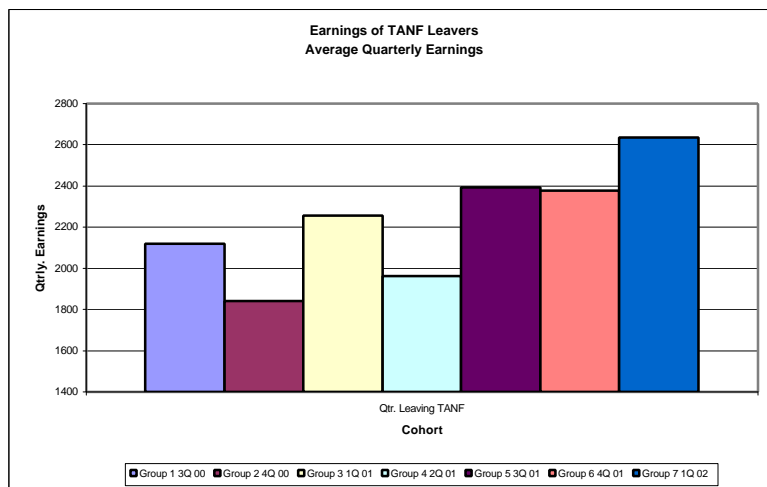
Percent of Cases Sanctioned and Average Number of Months Sanctioned



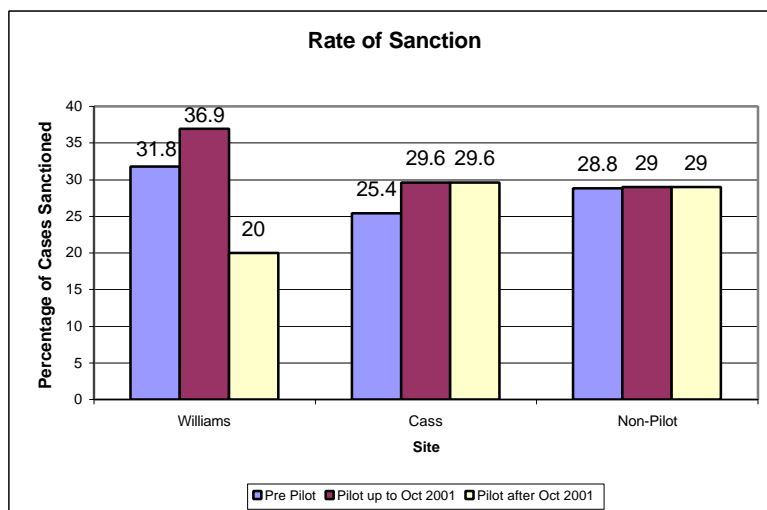
Average Weekly Hours in Work Activities – Williams



Quarterly Earnings for Quarter of Exit – Williams County



Rate of Sanction



Recommendations and Conclusion

- **Develop Mental Health and Substance Abuse counseling services for TANF clients in other areas of the state through regional Human Service Centers.**
MH/SA abuse counselors who are familiar with the requirements and culture of the TANF program can better tailor treatment to TANF clients and communicate with TANF program staff.
- **Improve Case Management approach in other areas of the state.**
Include joint case planning and joint assessment with the JOBS program. Require joint efforts in the contract with any JOBS provider. When appropriate to the client's needs, include other service providers in case planning and review.
- **End Progressive Sanction policy.**
This was done in March 2003, though not exactly matching either pilot. Review the newly implemented policy after 1 year. If warranted, refine policy with an eye toward that implemented in Cass County.
- **Revise Earned Income Disregards.**
Current policy limits incentive to 1 year, decreases it over time, allows its use one time per client. End its removal as a method of penalty. Incentive for employment should not be limited or its removal used as a penalty.
- **Move management of difficult cases to Human Service Centers.**
When the level of services requires coordination among providers, case management may be better situated at the Human Service Centers.
- **Develop a new assessment instrument for TANF clients and use it jointly with the JOBS program.**
This item is in progress with rollout expected in late-2003. A better tool is needed to identify client needs and strengths. Better communication of results is needed among agencies.
- **Further study other potential policy options—**
 - ❑ **Coordination of process and benefits among economic assistance programs.**
 - ❑ **Implement performance measurements to gain understanding of how clients benefit from services.** (Pilot project in Grand Forks and some recent additions to Williams County [review in late 2003]).
 - ❑ **Explore potential methods to strengthen the transition to self-sufficiency and prevent relapses onto TANF.**
 - ❑ **Analyze employment retention bonuses incentives used in Benson County.** (Summer 2004)

1. INTRODUCTION AND PILOT PROJECT FEATURES

1.1 Welfare Reform in North Dakota

The federal program for cash support payments to families with children was created in 1937 as part of the Social Security Act. Initially assisting widows with children, as family structures changed, the program increasingly grew to provide an entitlement to families with deprived children. By the late 1960s and early 1970s, there were calls to reform a welfare system seen by some as promoting dependency and by others as inadequate for the proper care of children. These conflicting concerns along with tight budgets stalled major changes (Weaver 2000). By the mid-1990s, the states were increasingly interested in exploring options to the traditional welfare program—Aid to Families with Dependent Children (AFDC). The federal government granted a number of waivers allowing these experiments.

North Dakota also received a waiver for the Training, Employment, Education and Management (TEEM) program implemented in 1996 (ND TEEM Waiver 1994). This was the start of welfare reform in North Dakota. TEEM program highlights are listed below, some of which were revived for use in the pilot projects.

- Case Manager as Service Coordinator
- Screening and Referrals
- Case Management
- Bundled benefit including cashing out other economic assistance programs
- Client required to be involved in work, training, or education
- Progressive sanction for non-participation

In that same year, the U.S. Congress took up the ongoing debate at the national level on reforming welfare. On August 26, 1996 president Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) creating a new welfare program, Temporary Assistance to Needy Families (TANF). Many of the changes allowed under the AFDC waiver and included in North Dakota's TEEM program were now part of the federal law. Major aspects of TANF include (PRWORA 1996):

- 60-month life-time limit on assistance to adults;
- Work requirements with 30 hour per week average for most adults;
- End of entitlement;
- Lump sum block grant to states;
- State policy options; state flexibility; and,
- State ability to operate differing programs and pilot projects.

When TANF was created the TEEM program was underway only in selected test counties, including both Cass and Williams counties. In some sense, North Dakota was fortunate to have a program, set of policies, and an administrative information computer system in place that, together, were capable of delivering benefits and services under the new TANF program. So, TANF rolled out statewide as the cash assistance welfare program starting July 1, 1997 built on the TEEM pilot project.

1.2 Pilot Projects

With the effort to conform to the new law the experimental nature of TEEM was lost. Those anxious to test new approaches to case management and bundled services and benefits could only partly realize their desires in the statewide TEEM program that now carried the strong stamp of national TANF law. In the rush to conform, much of the case management and bundled services approach was lost. Most eligibility workers continued primarily to administer benefits by gathering and processing documents, doing verification, and interfacing with the computer information system now known as Vision. Some added functions crept in such as performing an automated screening for client needs and making referrals. Case management was not emphasized.

With completion of the conversion to TANF by December 1999, the administrative adjustment to the new paradigm was also complete. Next was the challenge of making the program work better. The welfare reform law allowed states much flexibility in the design of their programs and the authority to operate different programs within the state as a means of testing policy options.

North Dakota was ready to try other things. Three pilot projects were authorized beginning late in 1999. Two projects were related in that they adopted similar policies and all adults included in TANF grants were subject to the policy in the pilot project. These are the topic of this report and include the Cass County and Williams County pilot projects. A third project was the Fresh Start Center in Belcourt, North Dakota. This differed in that it served only a small portion of the local TANF clientele in a one-stop service setting. A study of that project is a separate, forthcoming report.

Since the initial period of pilot project development, other projects were created and have yet to undergo evaluation. These include Benson County, Grand Forks County's Mentor program, and the Southeast Regional Services Project.

Figure 1. North Dakota's TANF Pilot Projects

	Project Location	Group Involved	Start Date	Major Elements	Evaluation Date
1.	Fresh Start Center	Selected individuals at reservation site	September 1999	One-stop service center, intensive case management, training/education	Due August 2003
2.	Williams County	All Adult Included TANF cases	March 2000	Joint case management; strict sanction policy; co-location; mentor	July 1, 2003
3.	Cass County	All Adult Included TANF cases	August 2000	Joint case management; co-location, mental health services	July 1, 2003
4.	Mentor Program Grand Forks	Hardest to serve cases	July 2000	Joint case management; wrap around services	Fall 2003 (tentative)
5.	Benson County	All Adult Included TANF cases	August 2001	One-stop services on reservation, training/education; strict sanctions; employment incentives	2004
6.	Southeast Region	All Adult Included TANF cases	August 2002	Bring HSC services to TANF cases in outlying counties	Summer/Fall 2003

Source: ND DHS Public Assistance Division, Planning documents and status reports for individual pilot projects.

1.3 Cass and Williams County Pilot Projects - Background

This report jointly discusses the pilot projects in Cass County and Williams County. Since the projects each had a similar focus, there was interest by the ND Department of Human Services (DHS) in learning if a broadly analogous approach would yield like results in locations with very different socio-economic attributes (Opp 2003).

Cass County, North Dakota's most populous county, is located in the east central part of the state and contains the state's largest city, Fargo. An average of 316 families per month received over \$1.6 million in 2002 through the TANF program. This represents about 10% of the total caseload in North Dakota (Getsman 2002).

Williams County is located in northwest North Dakota along the border with Montana. The county's largest city is Williston with a population of approximately 14,000. It is a rural area with an economy based on agriculture and oil extraction. There is a small but significant population of Indians in an area known as the Trenton Indian Service Area, an out settlement from the Turtle Mountain Reservation in north-central North Dakota. An average of 74 families per month received a total of over \$300,000 in 2002 through the TANF program. This represents about 2.3% of the total caseload in North Dakota (Getsman 2002).

Common to all the pilot projects is a strong element of local initiative. The eligibility staff, supervisors, and those from other community resource agencies developed the programs. Input

from the Department included technical assistance regarding legal and administrative issues, additional financial resources, facilitation of planning discussions, and evaluation.

A TANF pilot project steering committee was selected to assess the suggested program changes received from individuals and organizations.

Williams County

Michon Sax, Director of Williams County Social Services

Lois Reiersen, Human Service Administrator III, Williams County Social Services

Brian Melland, Director, Job Service North Dakota, Williston Office

Laverne Haake, JOBS Job Service North Dakota, Williston Office

Dennis Omvig, Deputy Director, North West Human Service Center

John Opp, TANF Pilot Program Facilitator, ND Department of Human Services

Cass County

Kathy Hogan, Director of Cass County Social Services

Alice Swenson, Supervisor, Cass County Social Services

Sidney Schock, Supervisor, Cass County Social Services

Urbie Weber, Director of Job Service North Dakota, Fargo Office

Jace Gately, Programs Supervisor, Job Service North Dakota, Fargo Office

Laurie Albright, Supervisor, JOBS Program staff, JSND, Fargo Office

John Opp, TANF Pilot Program Facilitator, ND Department of Human Services

The steering committee for each site had particular concerns—different in detail but alike in general. Of primary concern were TANF clients who did not seem to make progress toward self-sufficiency. Standard TANF policy in effect at the time did not contain enforceable requirements for consistent client participation in work or work preparation activities. After making TANF application, an adult client is referred to the Job Opportunities and Basic Skills (JOBS) program, the work requirement of TANF. Once there, activities include resume preparation, job search skill development, an assessment of work history, and creation of an employment development plan (EDP). A staff person known as a JOBS Coordinator works with the client toward the goal of paid employment. Job Service of North Dakota (JSND) administers the JOBS program under contract from DHS.

Adult clients who are the parent to the children for which the grant is paid also receive assistance themselves. This makes them subject to the work requirements. In cases where another relative is caring for children who are not their own, the caretaker can choose to receive assistance for themselves if their financial circumstances make them eligible. A grant is paid for the children whether or not the caretaker receives assistance. Receipt of TANF assistance by the adult makes them subject to work requirements.

When a TANF client was required to participate in the JOBS program but did not, they might have been sanctioned. A sanctioned individual did not count toward the size of the family, thus reducing the benefit amount by about \$150 per month. A grant continued for the children (\$213 for the first child and about \$72 for additional children, per month). The first sanction was for one month of grant reduction after which the sanction could be removed—“cured”—by first demonstrating compliance with the JOBS program work activities requirement for 10 days. A client had up to five months to cure the sanction while continuing to receive a reduced grant.

Repeated sanctions led to a progression of longer required sanction periods with reduced grant, up to five months for the third and subsequent sanctions, but with only one month to cure after serving the sanction period (NDDHS 2000).

During the sanction, and any period of reduced grant, the individual was not required to be involved with JOBS. This often meant no efforts made to find employment, address other personal or family problems, and limited access to other supports such as transportation assistance and referrals to other services. This meant clients could receive a partial grant for up to six months, cure the sanction, and repeat the cycle. Pilot project planners believed this contributed to a cycle of dependency and avoidance of underlying problems. Thus sanctions, rather than motivating people to comply, worked to remove them from the types of services that could lead to paid employment. Meanwhile, the family had fewer resources because of the grant reduction.

Reaching the underlying problems was thought by the steering committee members to be key to ending dependence and recidivism. While different priorities were followed at each site, a common approach was to develop a strong case management model for client relationships and apply services to help address barriers to client self-sufficiency.

Some of the underlying problems were believed by the steering committees to include the following:

- Mental health issues;
- Substance abuse;
- Child care availability;
- Education and training deficiencies; and,
- Lack of reliable transportation.

The pilot projects addressed these in different ways but the concerns were comparable. Detail on the pilot project response is covered starting at section 1.4.

Reducing the number of families receiving TANF was not the expressed goal of the pilot projects. Rather, efforts are focused on the individual families' needs. There may be a reduction of TANF caseloads as a result, but many other factors, especially the economy, play a role in program numbers.

The pilots covered the period when TANF caseloads had dropped to 30 year lows and were just beginning to edge up. The year 2000 also saw the start of a recession. Reduction in the number of cases nationwide and in North Dakota was during a period of unprecedented economic growth. Many wondered what welfare reform would mean in an economic downturn. Caseloads have moved up, but not dramatically so, compared to their highs in the early 1990s.

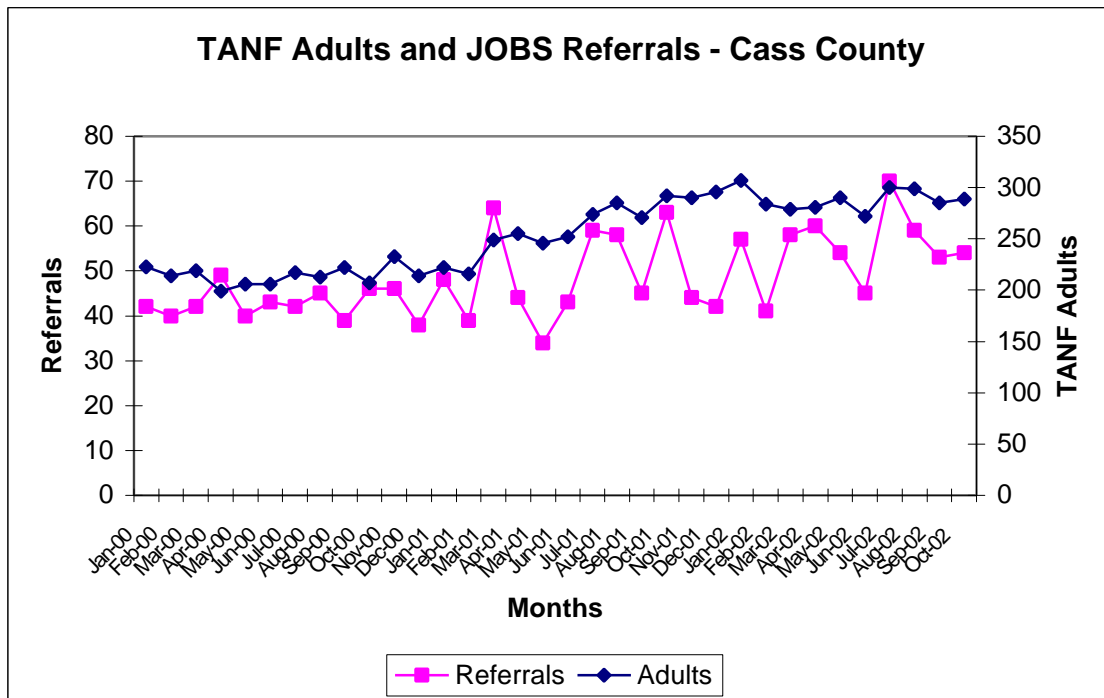
Figure 2. Milestones in Welfare Caseloads

Milestone	North Dakota	Cass	Williams
Highest AFDC Case Count – Monthly Average for 1993	5,995 Cases	715 Cases	196 Cases
TANF Cases at the start of Program July 1997	3,859	384	107
Lowest TANF Case Count – February 2000	2,742	279	76
Start of Pilot Project – August 2000	2,788	277	71
December 2002	3,288	315	77

Source: ND DHS Research and Statistics Division. Monthly TANF Report.

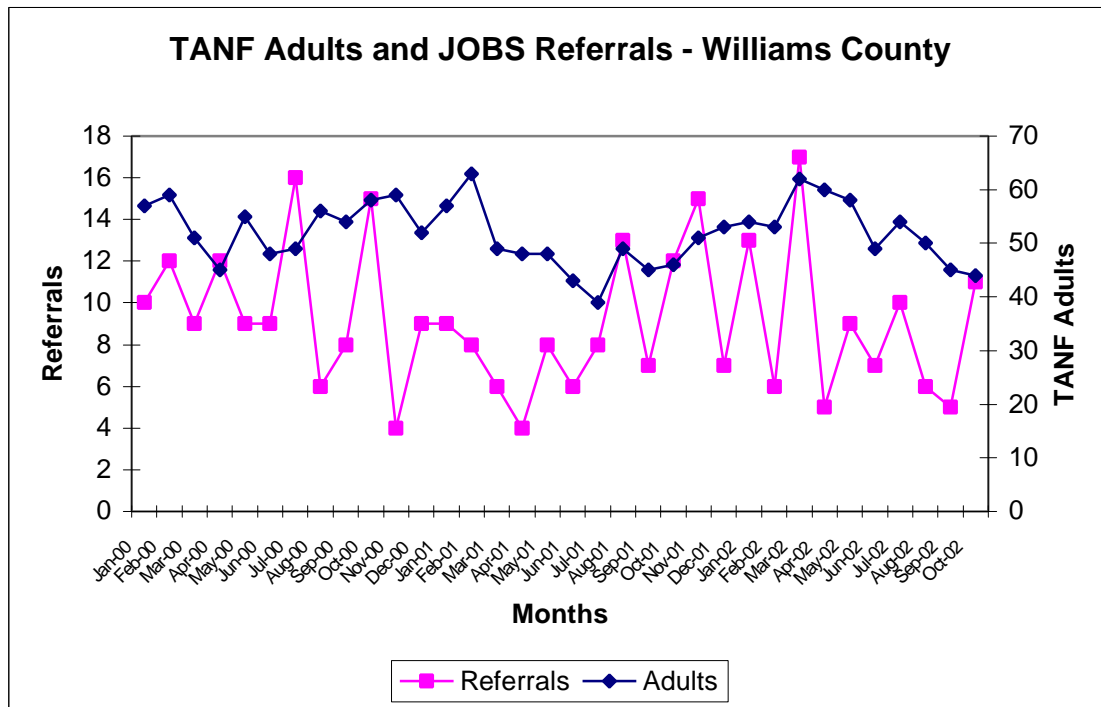
Over the course of the pilots the number of TANF adult clients increased in both Cass and Williams counties. The number of referrals to the JOBS program also increased. Referrals were a target of the pilot projects through policies to encourage and enforce participation. Other, non-pilot policy changes also resulted in increases in the number of JOBS referrals. As shown in Figures 3 and 4, the pilot projects proceeded in an environment with upward pressures on the TANF program.

Figure 3



Source: ND DHS Vision System DB2 tables, calculations by author.
ND DHS PA U:^Melby/TANF/PilotProjects/CassWmsEval

Figure 4



Source: ND DHS Vision System DB2 tables, calculations by author.
 ND DHS PA U:\Melby/TANF/PilotProjects/CassWmsEval

In Williams County the rates of JOBS referrals and the number of TANF adults fluctuated widely, but the overall trend tends toward an average of 10 monthly referrals and 50 adults in TANF cases. With this backdrop, the pilot projects initiated a set of policy changes.

1.4 Pilot Project Components

Based on the needs noted above, the pilot projects' plans were developed. The main difference, and a major reason for the selection of each site, was the vitality and character of the local economies. Cass County is urban with strong growth and low unemployment. Williams County is largely rural with a comparatively listless economy. The details of each pilot reveal both similarities and differences.

1.4.1 Agency Collaboration and Co-Location

Case management as the focus of the pilot project means the involvement of all those agencies and staff who provide services to the family. A joint approach coordinates efforts. In addition, it ended the practice by some clients of playing one staff person off against another. Particular importance was placed on stronger ties between the JOBS Coordinator and the eligibility staff. Rather than just handing the client off to the JOBS Coordinator the eligibility staff at the county social service office maintains a close tie to the progress of the case and attends staffing meetings with other service providers involved. In the pilot project counties, eligibility staff is referred to as TANF Case Managers in recognition of the broader role of service facilitator. Pilot project staff report that the client comes to see the staff as a team working for them (Swenson 2003).

Cass County wanted to overcome an additional obstacle. The JOBS program in Cass County was at the Job Service of North Dakota (JSND) offices, located near the West Acres Shopping Center, while the social service office is downtown, several miles away. Analysis by the Department in planning the pilot project found that one-third of referrals were not fulfilled and the cases were then sanctioned.¹ Clients were being lost even before they could get started with JOBS.

As part of the Cass County pilot project, the employment counselor of the JOBS program was co-located in the same social service office as the TANF program. The TANF case manager and JOBS coordinator now work together to facilitate the client's enrollment into JOBS and the development of an EDP concurrent with the TANF application interview. In addition, if non-compliance were evident, the team could be involved earlier and could conciliate with the client for continued program participation. So, JOBS enrollment starts with TANF application and the two critical staff members easily meet to review cases.

In Williams County, the co-location of staff was less necessary, as the Job Service ND office is within walking distance, next door to the social service office. The collaboration between the JOBS coordinator and the TANF case manager was equally stressed. In addition, other professionals are brought to the table when doing case planning. They might include staff from community agencies, the Mentor who works with the most difficult to serve families (see Section 1.4.3), counselors from the Northwest Human Service Center (NWHSC) for cases involving mental health and substance abuse (MH/SA) issues, medical professionals, vocational education counselors, and others as needed.

At both locations information on clients was shared with other providers. A significant component was the change in the initial screening/assessment of clients. The standard format is a series of assessments. The TANF eligibility worker asks the client a set of standardized questions contained in the computerized eligibility system, Vision. Responses generate appropriate referrals. Nevertheless, as eligibility workers have stated, the Vision System assessment does not elicit any type of honest response from the client. It has become a routine of eligibility determination. Another, paper assessment covering many of the same items is done at the JOBS office. That assessment seems to have a better response and is more employment focused.

The pilot projects replaced this odd two-step, with a single, joint assessment. Not only is the process streamlined, but also the paper assessment instrument seems to elicit useful responses from clients (Reierson 2003, Schock 2003).

1.4.2 Mental Health and Substance Abuse Services – Cass County

Adding to the team in Cass County is a board certified, clinical specialist, registered nurse who spends half of their time in the county social service office. Eligibility staff noticed a need among clients for mental health and substance abuse services (MH/SA). In this regard, national studies (Morgenstern 2001 and Ponkshe 2000) indicate that up to one-third of welfare parents are in need of such services. However, the screening

¹ ND DHS, Research and Statistics Division, ad hoc analysis of JOBS referrals and subsequent sanctions in Cass County, March 2000. The conclusion was that clients were not getting to the Job Service office.

administered by TANF case managers often failed to uncover this need. The MH/SA expertise provided by the counselor helps the eligibility staff and JOBS coordinators meet the client's needs in bringing down barriers. This component was done to ensure prompt referral of individuals whose difficulties in securing or retaining employment may be related to mental health issues, domestic violence, or substance abuse.

The mental health professional provides prescriptive and comprehensive medication management services to TANF families. Additionally, the counselor often assesses TANF clients for substance abuse and other mental health service needs before referring them on to the local human service center (HSC) for appropriate attention. This individual provides assessment and case management for TANF clients needing substance abuse and mental health services (Schock, 2003).

Intervention by the MH/SA staff is brought on by TANF client behavior. Those who are sanctioned, or who return to TANF after only a short absence, are required to meet with the MH/SA staff. The TANF case manager's learning of a problem or the client's own testifying to MH/SA issues will also lead to a meeting with the counselor. When not meeting with clients at the social service office, the counselor joins the case management team in staffing cases.

Williams County estimates that half of their adult TANF clients have mental health issues. Many clients work with someone at the HSC. TANF case managers are "frustrated" because HSC staff working with TANF recipients does not understand TANF program requirements and there are communication gaps in coordination of client services (Reiersen 2003). Williams County would like an arrangement like that between Cass County and the SEHSC.

1.4.3 Mentor – Williams County

The steering committee in Williams County recognized that a minority of cases presents the most challenges for case management. Families with multiple barriers or special difficulties in addressing their problems were assigned to a mentor. The mentor's role was to help and encourage the client to satisfy program requirements such as meeting appointments, getting to job interviews, and getting to work. Part troubleshooter, part support network, the mentor helps clients stay on track and address barriers to self-sufficiency at times when the individual may have difficulty on their own. Examples of support the mentor has provided include crisis intervention, goal setting, money management, parenting skills, and daily living skills improvement.

Specifically, the mentor develops an individual plan with the family, gets the client work experience toward ultimately securing long-term employment, and provides incentives in reaching objectives set forth in the plan. Incentives are paid based on a point system with objectives in the individual plan assigned varying point values. Meeting goals means earning points; and, points are traded for Chamber Bucks, a type of gift certificate redeemable at Williston Chamber of Commerce member businesses. Incentives are worth up to \$90 per month (Reiersen 2003).

The mentor is involved in case planning meetings with other staff and agencies.

1.4.4 Incentives for Employment and Timely Reporting

With late monthly reporting of eligibility information, a family loses some earnings disregards under the standard, statewide policy. The loss of the 27% employment earnings disregard would reduce the family's TANF grant, as all earned income would be counted in calculating the benefit. This provision was suspended for Cass and Williams counties. The purpose of maintaining the disregard is to provide incentive to become, or remain employed.

1.4.5 Child Care

Child care is a major challenge for working families with children, especially for poor, single-parent families. Each of the pilot projects took its own approach. Since many of the jobs available for TANF clients tend to be lower paid service jobs with work hours falling on nights and weekends; in Williams County the maximum amount allowed for child care assistance was increased by \$100 per month for night and weekend care, which is difficult to obtain. There was also a transitional child care assistance that covered 100% of child care costs for six consecutive months after leaving TANF and providing a smoother switch to an income based sliding fee schedule for additional child care assistance after the transition period.

Cass County took a different approach. The child care assistance was included in with the TANF grant. Here the purpose was two fold. First, much available child care falls outside the realm of licensed, certified and approved providers to whom the Child Care Assistance Program (CCAP) rules allow payment. The TANF family was able to purchase child care that fit its needs and might have included paying relatives or non-licensed providers. This is part of the second purpose: developing greater responsibility. Providing the TANF and child care assistance in one check requires the family to better develop its decision making, planning, and budgeting. These are self-sufficiency skills. This bundled benefit component of the pilot project in Cass County started in November 2000 and was deemed by staff to be unworkable and was discontinued on April 30, 2002 (Schock 2003). (See section 3.1.4).

1.4.6 Sanction Policy

In order to elicit client involvement in the JOBS program's work activities, the sanction policy was changed to eliminate the lengthy periods of non-participation. Unlike the progressive sanction policy in effect through March 2003, the adult was simultaneously involved in JOBS while attempting to cure the sanction rather than waiting out a mandatory sanction period without involvement in JOBS. Failure to cure a Cass County sanction by the last day of the month of sanction resulted in full case closure.

The stricter sanction rules quickly communicate the seriousness with which the program seeks to promote progress toward self-sufficiency. It facilitates case management two ways: 1) it eliminates the situation of a family receiving a partial benefit while not complying with JOBS; and, 2) it provides a continuous engagement while the family cures the sanction.

In Williams County, the sanction policy evolved. The steering committee there also recognized an advantage to engaging TANF clients. Their first approach was to avoid imposition of sanctions and to negotiate compliance with JOBS participation

requirements. By October 2001, a strict sanction was viewed as a better policy. Non-compliance resulted in case closure (no grant at all) for one month for the first sanction. Subsequent sanctions carried a three-month case closure (ND DHS 2001).

1.4.7 Education/Training Considerations and Incentives

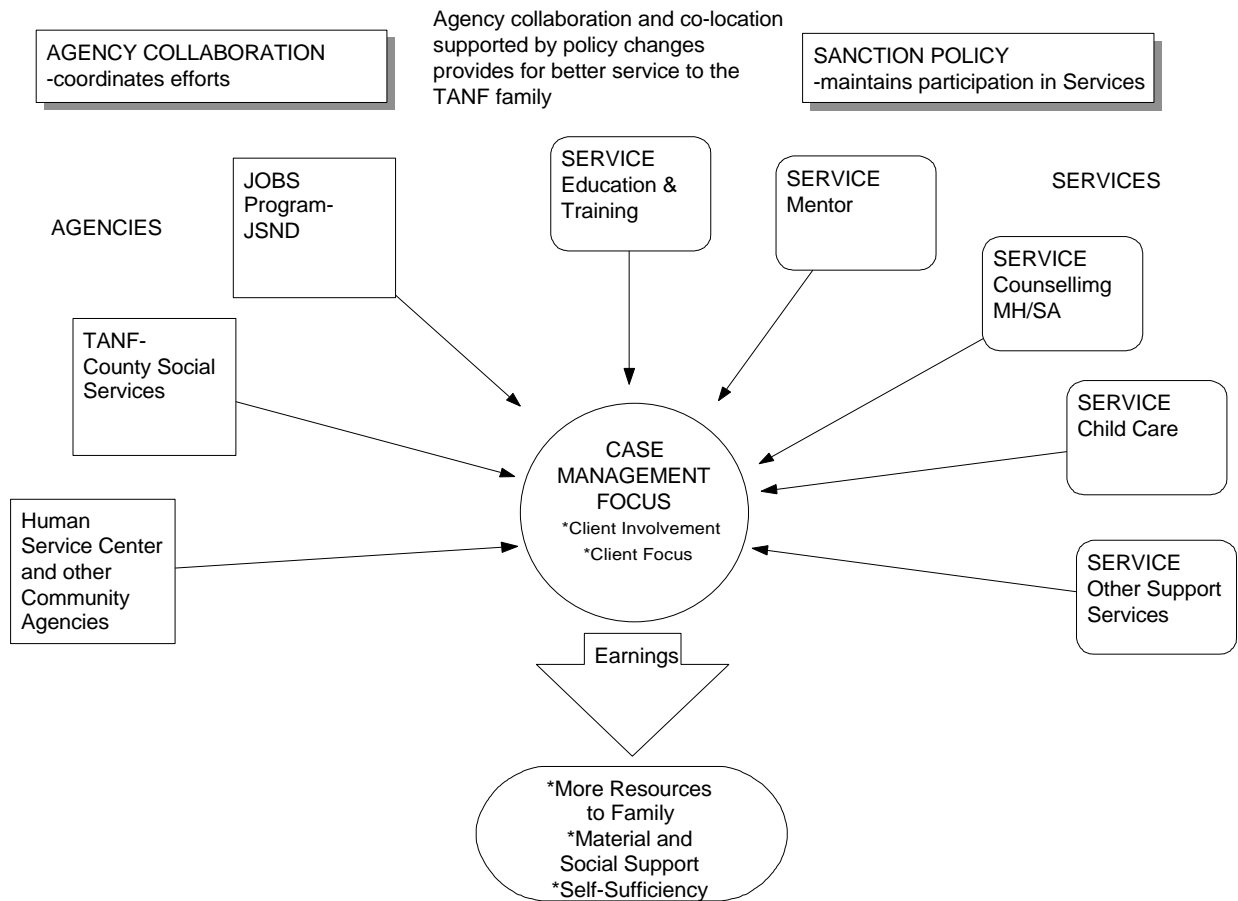
The pilot project planners in Cass County included components that facilitate vocational education for two years instead of the usual maximum of one year. Local classes offered in English as a Learned Language were augmented by accessing a Moorhead, MN program that focuses on vocational language skills. And while previously limited to only teen parents, the \$500 high school diploma and GED incentive was awarded to any adult who received their high school diploma or GED while eligible for TANF.

Williams County allowed education or training for two years beyond high school. The high school diploma and GED incentive was awarded not only to TANF adults (\$500) but their children also received an award (\$250) for graduation or GED completion. Additionally, other courses designed to enhance employment skills for the caretaker were rewarded with up to \$200 per course (ND DHS 2000).

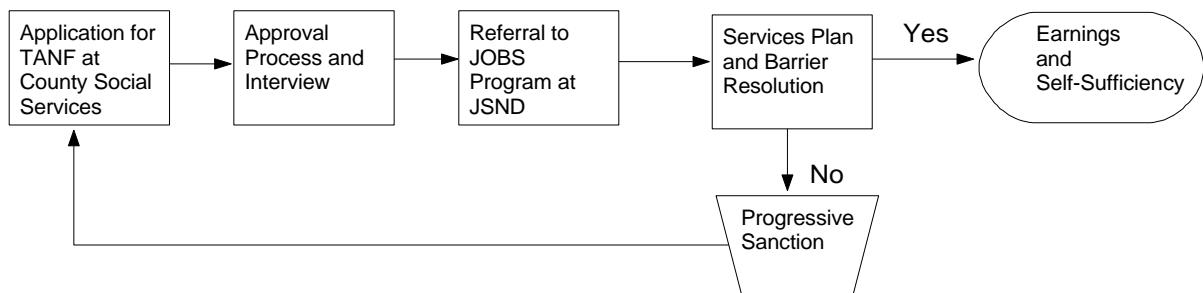
The \$500 incentive for graduation or GED completion was brought statewide after implementation in the pilot projects (ND DHS December 2001).

Figure 5. Comparative Views of TANF Program Delivery

PILOT PROJECTS - CASE MANAGEMENT PARADIGM



STANDARD PROCESS



2. STUDY METHODOLOGY

The evaluation of the Cass and Williams counties pilot projects was conducted starting in December 2002 using program administrative data. This section lays out the approach used to assess the projects.

2.1 Research Questions

The Department undertakes the evaluation of the pilot projects with policy analysis staff from the Public Assistance Division and the Division of Research and Statistics with the purpose of understanding outcomes and describing the service delivery processes. To those ends four overall research questions were developed.

Process

“Were the pilot projects able to implement policy changes?” While state government and the Department are engaged in improving performance management with its emphasis on outcomes, replication and accountability require process measures. These measures have sometimes been the only basis of program review. In this study, *process* is seen not as an end to itself but the means to important outcomes. Understanding process will help understand how program changes contributed to outcomes for clients.

Impact

“Were there changes in program dynamics?” The pilot project planning documents anticipate that policy changes would cause measurable changes in caseload dynamics. It is hypothesized that policy and process changes would result in changes in program dynamics.

Outcomes

“Are these families moving toward self-sufficiency?” Data are presented to show changes to families’ outcomes under the pilot projects.

Causation

“Are impacts and outcomes attributable to the pilot projects?” The evaluation will attempt to determine whether there is a causal relationship to either positive or negative outcomes.

2.2 Data Sources

The evaluation is based primarily on administrative data, information collected in the day-to-day administration of the programs. Conclusions are drawn by means of close analysis for the pilot project counties in comparison with non-pilot counties and comparisons to pre-pilot data.

Data reside in several locations. Information concerning cases, recipients, payments, and work activity, is captured on the state’s VISION computer system. This system is used for case management, to make payments for cases, and to report on economic assistance programs, including TANF. These data reside in DB2 tabular format. Other economic assistance program data is stored in ADABASE format through the TECS administrative system. The Child Care Assistance Program is administered through a mainframe system written in the Natural programming language and stored in ADABASE format. Quarterly earnings data is obtained

through agreement with Job Service of North Dakota by means of a data exchange. Information on mental health and substance abuse services was obtained from a mainframe administrative system, the Automated Regional Information System (ARIS).

2.3. General Approach and Hypotheses

The pilot project was developed more as a policy alternative and less as an experiment. Planners were eligibility staff and other providers but did not include evaluation staff. The evaluators developed the criteria for review. As such, the evaluation does not follow the intent set forth in the pilot project planning documents for evaluation. With those documents and along with interviews of supervisory staff in Cass County and Williams County, an evaluation plan was developed and hypotheses generated.

H1: Policy changes were implemented. A review of the administrative data will indicate application of new policies.

H2: Policy changes influenced TANF client behavior. The behavioral change will be observed in caseload trends.

H3: Families moved toward self-sufficiency.

H4: Policy changes in the pilot projects caused the observed trends examined under H2 and H3.

This report contains the detail findings. A presentational summary and a PowerPoint production were developed for communication to interested groups.

2.4 Validity Concerns

The present evaluation presents several areas of potential concern for validity of the data and analysis. First is the lack of an experimental design with random assignment of participants to a test group and control group. Second, the projects were not designed with careful evaluation criteria including objective, measurable standards. It is not certain that all items of interest to the project planners or the Department have been considered by the evaluation team. Evaluators created a *post facto* evaluation plan based on their perception of items of interest to pilot project staff, the Department, and within data limitations.

Administrative data offers a wealth of useful information. It, however, is collected, not with research in mind, but to administer the program. There may be an inherent distortion built in and there are definitely limitations. Similar evaluations in other states have combined administrative data with surveys of clients. Moreover, while surveys have their own limitations, the combination provides a more robust view and each can serve as a check on the other (ASPE 2001). This evaluation relies primarily on administrative data along with insights provided through interviews with program staff. While staff is believed to be honest in their appraisals, they do occupy a different perspective than clients affected by the project. The study lacks direct input gained from clients. That there are no surveys specifically related to the pilots is due to budget considerations.

Administrative data has other drawbacks. For one, it can only show us people who are on the program. It cannot tell us how many people never applied for TANF because of the pilot project

policies. Nor is there much available information for clients who have left all economic assistance programs or moved out of state.

Other considerations on validity are the data source and the sample size. In survey research, sample size is a concern. Here we used the entire population of the pilot project clients as well as the statewide client group when a comparison was done. So there is not a problem with sampling error. The size of the groups are still of interest. At times Cass County figures more prominently in the report because the larger client population helps to show that the result is systemic. The Williams County client population is five times smaller each month on average. The small number of families in the Williams County data can cause wild fluctuations in the averages. In future studies, consider pooling a couple of rural/small town areas to get a larger sample.

Another concern is the nature of pilot projects. Staff understands that they are involved in a pilot project and that its outcomes are being watched. Also, with their personal investment in the design and implementation of the project, there may be influences present that affect outcomes that would not be present were this the standard operating procedure. Again, Cass County data may be more reliable because the staff is large enough that outcomes do not depend on a single individual or very small group. In both counties, the pilot project had been operational for nearly two ½ years at the start of the evaluation. With time, even a once fresh approach becomes routine. It may be that in these counties, the pilot project patina has tarnished to an ordinary course of business.

A related concern is that there may be a problem with self-selection for the sites of the pilot projects. Both Cass and Williams counties were involved with the original TEEM project and had a stronger orientation toward collaborative efforts and case management. This does not change the outcomes, but may mean that the results would differ if the policies were replicated in other areas.

Measurements of most items are monetized. For example, the focus is on the amount of earnings, the amount of the TANF grant, the amount of the sanction, etc. Other factors related to the well being of the TANF adult and children are more difficult to capture and are overlooked. As a way of another example, the value on the care provided by the TANF mother to her children is not contemplated; yet, there is likely a positive value. While most studies of this type follow the practice, the consideration of only monetized measures is socio-distortive.²

A last validity concern is about the evaluation team who contributed to this report. As staff working for the Department of Human Services, they may have biases whether they perceive them or not. Researchers attempt to be objective, but since they are, if only distantly, part of the pilot project they are evaluating, there may be a subtle coloring in their judgment. If researcher bias were thought likely, then the public and other users would give less credence to the report. Since that runs counter to Department interests, researchers have been conscious of this concern.

² This is a concept of distortion in social priorities caused by the reliance on measurable and quantifiable indicators of utility, when, in fact, utility is often not measurable nor subject to aggregation.

3. FINDINGS

3.1 Process and Impact Measures

This section addresses policy change implementation and the impact to the program.

3.1.1 Agency Collaboration and Co-Location

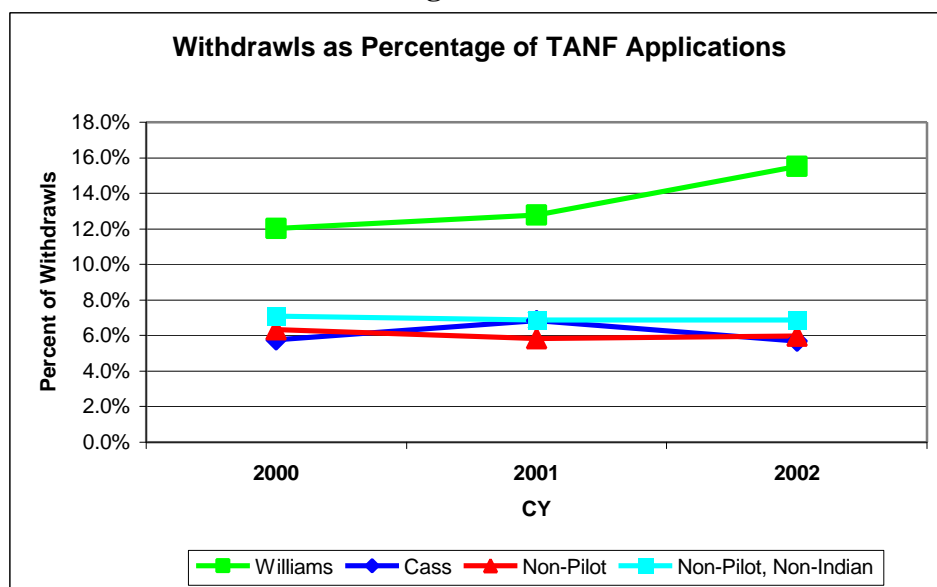
In Cass County the pilot project co-located the JOBS program employment counselors and a mental health counselor half time in the social service office to reduce the loss of contact due to client avoidance of the agencies. In Williams County, where Job Service is located only two blocks from the social service office, co-location was not seen as a significant improvement.

In both counties the approach to case management changed. A collaborative effort among the TANF case managers, JOBS coordinators and other service providers was created. In Cass County the physical co-location greatly facilitated the collaboration.

Clients were presented with a new proposition—of working within a network of agencies having the goal of client self-sufficiency or directly moving to self-sufficiency by choosing not to be part of the TANF program. The opportunity to receive a partial grant and do nothing was no longer available. Combined effort is intended to better serve clients for addressing their barriers to self-sufficiency.

It is understood that clients do not always see program requirements as being to their benefit. Planners believed some clients would withdraw their applications once they learned of the requirements. Figure 6 shows that the percentage of applications withdrawn did not change greatly. Each area continued its pattern from before the initiation of the pilot project and after. In Williams County, there is an increase at the end of the period.

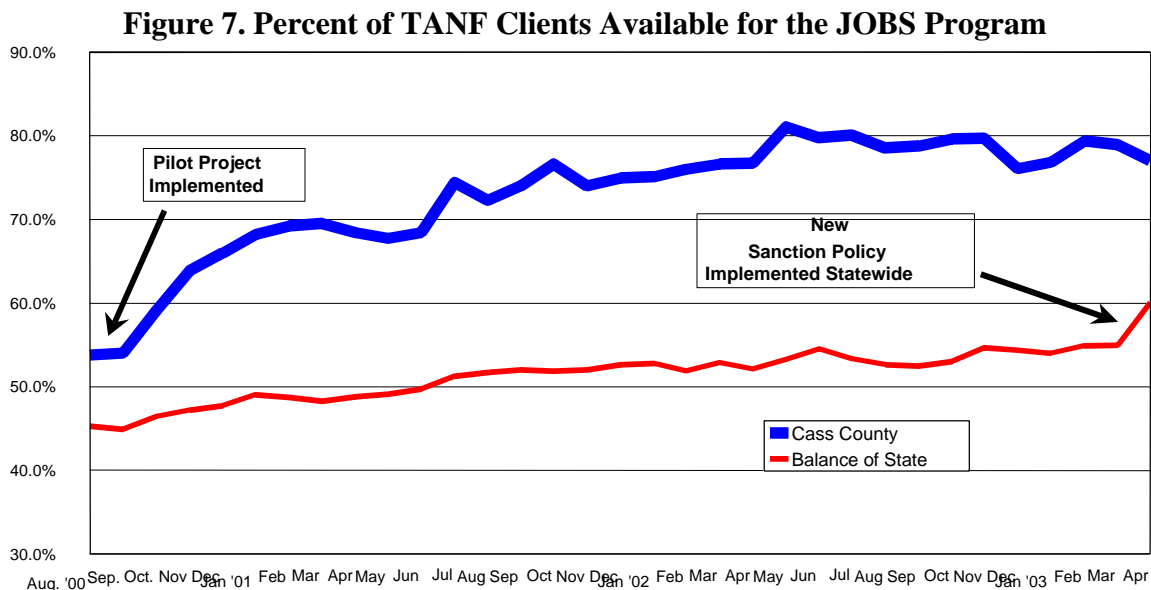
Figure 6



Source: ND DHS Vision System DB2 tables, calculations by author.
ND DHS PA U:/^Melby/TANF/PilotProject/CassWmsEval/Withdrawals.xls

The combination of policies of incentive for work, a higher level of case management, and a meaningful sanction should influence greater efforts at work activities. For the TANF program, there is a federal requirement for adult clients to be in work activities for 30 hours per week on average. For those with children who are too young for school the requirement is 20 hours. The law, along with the way North Dakota administers TANF, make provision for a wide array of client situations. Many with little or no work history, poor skills, and other barriers, might not move directly into paid employment. The program allows other activities meant to enhance an individual's work prospects to count toward the required hours in work participation.

In Cass County, the co-location of JOBS with the TANF program along with other collaborative efforts and sanction policy was intended to increase the participation of TANF clients. Figure 7 shows how there has been an increase in TANF clients' availability for participation. Before the pilot project, sanctioned clients were not required to participate in the JOBS program. Certain clients are exempt from JOBS (e.g. mothers of newborns), so, there remain those who are not available.



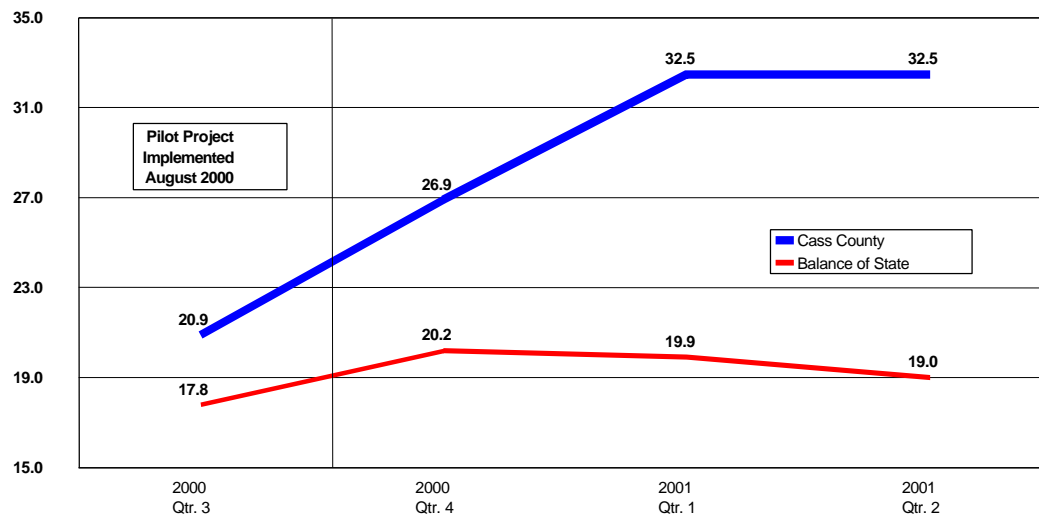
Source: ND DHS Vision System DB2 tables, Research and Statistics Division.

Aside from being available for participation, is whether TANF clients are becoming employed as a result. To see if there was any increase in work activity during the period of the pilot projects data from the "RESPPROD_R_CLNT_WORK_ACTVTY" table from the Vision System was examined. This table is a federal reporting table and contains information concerning the type of work activity and the average weekly hours spent in that activity. The weekly average was calculated for Cass and Williams counties cases versus non-pilot project counties.

As seen in Figure 8, the average number of hours per week spent engaged in work activities per case in Cass County (20.9) was somewhat higher compared to the rest of the state (17.8) when the pilot project began in the third quarter of 2000. However, following the implementation of the pilot project, work activity increased in Cass County when compared to Non-Cass County cases. The average hours of work activity per week in

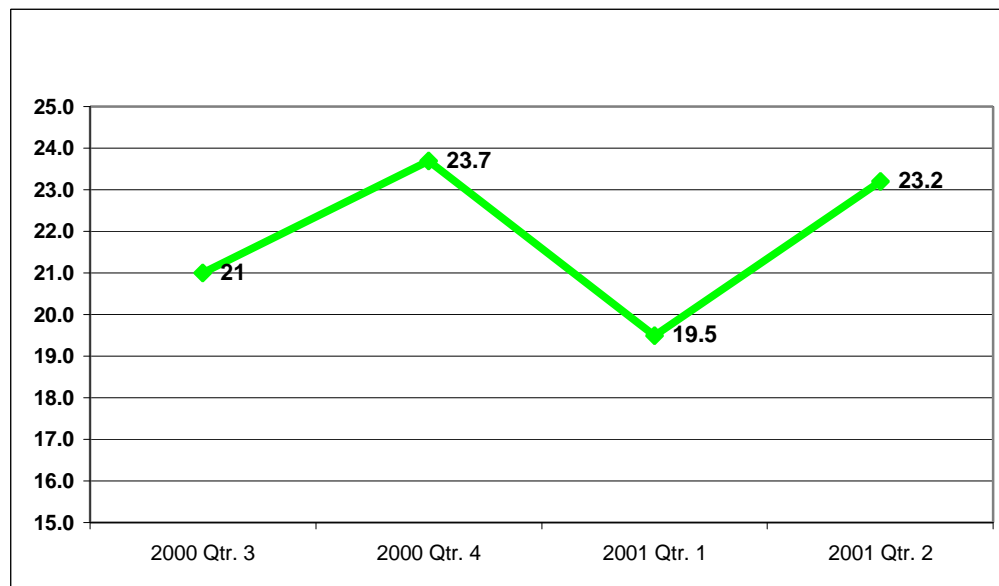
Cass County increased to 32.5 in the second quarter of 2001, compared to an average of 19.0 hours in the rest of the state. While both areas saw an increase, that of Cass County was significant with an increase of 11.6 hours per week.

**Figure 8. Average Weekly Hours in Work Activities – Cass County
(TANF Clients Who Participated in the JOBS Program)**



Source: ND DHS TANF Federal Reporting Tables, Research and Statistics Division.

Figure 9. Average Weekly Hours in Work Activities – Williams³



Source: ND DHS Vision System DB2 tables, calculations by author.
ND DHS PA U:/^Melby/TANF/PilotProject/CassWmsEval

³ T-test of statistical significance performed with state average as expected value. For 2000 Qtr. 3 Williams' County result found significant at the 95% level. For 2000 Qtr. 4 and 2001 Qtr. 2 found significant to the 99% level. See Appendix A6 for details.

3.1.2 Mental Health and Substance Abuse Services Process Improvements

The option for an individual on TANF to utilize the Human Service Centers has always been available. Such individuals could use services and Medicaid would cover the costs. However, in the area of mental health and substance abuse it is a difficult proposition to expect individuals to self-refer. These problems are also contributing factors to their welfare dependency representing barriers to self-sufficiency.

Eligibility staff is not equipped to carry out mental health case management. Their education and training do not include that specialty. Their expertise is in administration of benefits and the documentation and verifications that accompany that process, along with exercising interpersonal skills necessary to engage, motivate, and support clients' movement to self-sufficiency. For that reason the on-site MH/SA professional provides services to the clients.

Eligibility staff in Cass County has said that one important factor in having the MH/SA professional attached to the TANF program has helped to deliver services that are appropriate to TANF clients. Before the pilot project, it was difficult to communicate the TANF program needs to counselors who were not familiar with the work requirements of TANF. The MH/SA counselor now speaks "their" language said one TANF case manager (Schock 2003).

Cass County developed a formal collaboration with the Southeast Human Service Center and a mental health, board certified, clinical specialist RN is present half-time in the social service office. Tasks included conducting full assessments for mental illness and substance abuse problems, monitoring medication, prescribing a limited set of drugs, participation in the staffing/review of cases, and assisting county staff in the understanding of mental illness.

County staff reports a sense of relief at having a professional readily available. Previously, a TANF case manager often had an idea when a client might benefit by treatment for mental illness or addiction but too often, their lack of knowledge or confidence in those areas prevented pursuing the subject with clients.

The clinical specialist does not see all clients. Rather, certain events that may indicate a need trigger a session with the clinical specialist and client. Any client that is sanctioned will go through an assessment. If a worker feels an individual can benefit from mental health services or counseling for substance abuse, the individual is referred for an assessment. Self-referral by the TANF clients is always an available service. By August 2002, a stable pattern had emerged; in any given month, the clinical specialist does assessments with 13% of the TANF cases. Of particular interest have been cases with the adult included in the grant. These adults are also involved in the JOBS program. Among that group 43% of TANF clients would have had an assessment at some time, perhaps during a previous stay on TANF (Moraghan 2002).

The clinical specialist also spends half of her time providing treatment services at the SEHSC. There, her priority is those clients encountered during time at the social service office. That way there is a continuum of care and contact both for the client and staff. Other professionals at the SEHSC are involved as appropriate for the individual situation.

Of those assessed at the social service office, 65% continue for further services at the SEHSC. The experience thus far is that 30% of those who utilize the SEHSC, service involvement is for less than three months, 40% are involved for three to six months, 20% for six months to one year, and 10% for one year or more. Staff working with the pilot project has observed that a majority of assessed individuals is experiencing some type of immediate need/crisis situation that is often related to their need for TANF. This may be reflected in the 70% who use SEHSC services for less than six months (Moraghan 2002).

MH/SA collaboration is entering a new phase in Cass County and the southeast region. First, the caseload at Cass County for TANF cases with MH/SA involvement is now large enough that a full time case manager will be added to the staff. This will free the clinical specialist to focus on the more clinical and treatment aspects of the job.

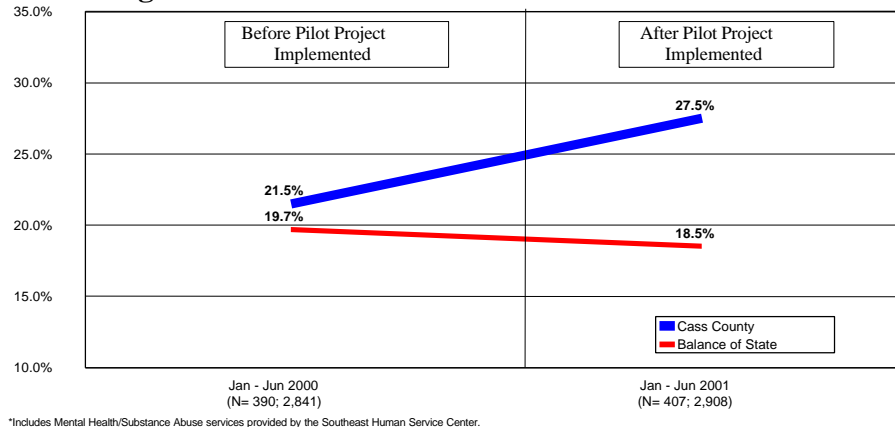
Second, all the counties of the southeast region are involved in MH/SA collaboration with the SEHSC. This regionalization of collaboration is meant as a test for this type of service delivery outside of the Fargo metropolitan area where the SEHSC is located. This test will be evaluated in a later, separate report and lessons learned will instruct possible expansion of similar services in other areas of the state.

To assess whether coordination between the agencies generate additional use of Human Service Center services, two unduplicated listings of TANF cases for six-month periods were created by using the "RESPPROD_R_F_U_MONTH_INFO" Vision System file and merged with similar files created from the state's ARIS computer system.

The first file included all cases that received TANF assistance from January 2000 to June 2000, representing TANF cases before the implementation of the Cass County pilot project. An unduplicated mental health and substance abuse file was created for the same period by using the ARIS computer system. By merging the two files together, TANF clients in Cass County were found (21.5% of TANF cases involved at least one person receiving mental health and/or substance abuse services) to have received approximately the same amount of mental health and/or substance abuse services as "Non-Cass" cases (19.7%).

Repeating the process for January 2001 and June 2001, one year later, for TANF cases following the implementation of the Cass County pilot project saw Cass County TANF cases received more mental health and substance abuse services (27.5%) compared to before the pilot project (21.5%). However, this measure remained relatively unchanged for the "Non-Cass" cases. See Figure 10 following.

Figure 10. TANF Cases Utilization of MH/SA Services



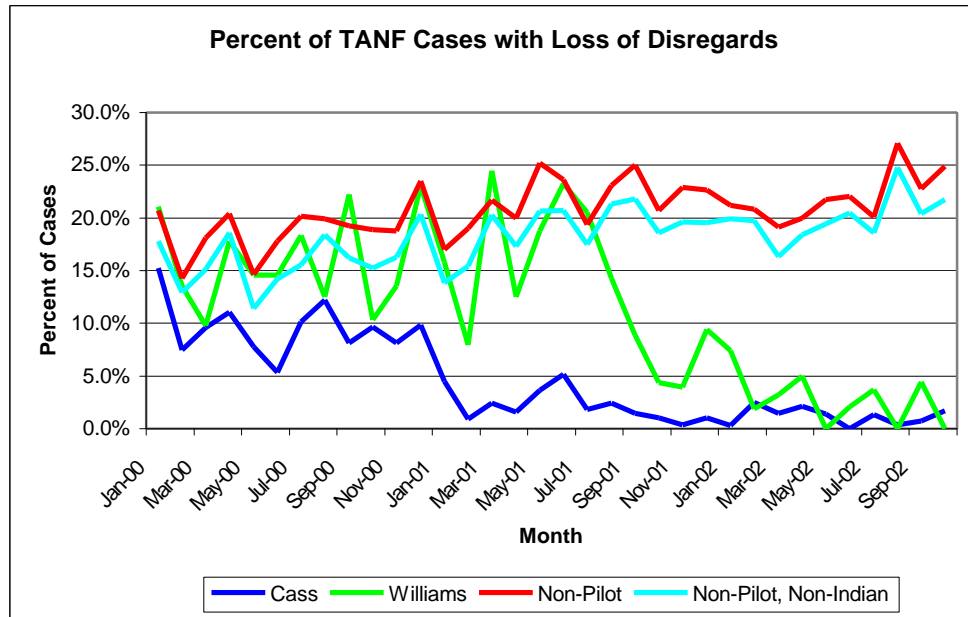
The analysis shows greater service utilization. It is beyond the scope of the present study to assess the outcomes of MH/SA services. For example, it would be of interest to know if MH/SA services successfully treated such problems among TANF clients. This is an area for further study.

3.1.3 Incentives for Employment

The pilot projects changed the earned income disregards. All families with earned income will have at least 27% of that income disregarded in calculating the TANF benefit. As an incentive for employment, this results in an intended, higher TANF benefit. Pilot project staff observed that it is common for families to be tardy in completing and returning their monthly report by the fifth of each month. This paper work serves as verification for calculating the monthly TANF benefit. When a family was late with this report, then the earnings deduction was lost, causing a reduction in the grant amount. As this is an incentive for work, then its removal was seen as a disincentive. As long as the report was in by the end of the month, in both Williams and Cass counties' pilot projects, the income disregard stayed in place.

In Figure 11 Cass County and Williams County have a rate of cases with a loss of disregard similar to other areas of the state in January 2000 before the start of the pilot projects. While Williams County took longer, both pilot project sites have reduced the loss of disregards to minimal levels. Rates for other areas of the state have actually trended upward.

Figure 11



Source: ND DHS Vision System DB2 tables, calculations by author.
 ND DHS PA U:/^Melby/TANF/PilotProjects/CassWmsEval/Disregards.xls

3.1.4 Child Care Assistance

Both groups of pilot project planners saw child care as a major obstacle for TANF families. In Williams County, the response was to allow a higher subsidy amount for child care during evening and weekend hours when child care is difficult to obtain. But, local employers also were noticing a problem in hiring people with children to work nights and weekends. Bethel Homes, an assisted living and long-term care facility, opened a child care center for its employees and made it available to others. This seems to have addressed the problem.

Cass County's approach as described previously at 1.4.5, was to offer a bundled benefit with the hope of increasing client options and responsibility. To determine whether the policies were implemented data extracted from the Vision System DB2 table, "RESPPROD_FILING_UNIT_BUDGET," was analyzed to find the amounts included in the TANF benefit for child care for Cass County cases⁴. For Williams County, child care assistance was paid out of the Child Care Assistance Program system to the provider in the same manner as non-pilot areas.

⁴ The data field "Special Allowances-Other" was used to process the Child Care Assistance as part of the TANF grant. That field is used for other items including a bonus paid for having children participate in a health screening and incentives for high school graduation. Few other items are included in this field. Analysis screened out items of set, regular amounts; remaining amounts should be child care related. It is possible that a small number of other items were included.

Figure 12. Child Care Assistance/TANF Bundled Benefit – Cass County

Month	Number of Cases with Child Care included in TANF grant	Average Amount of Child Care
Aug. 2000	10	\$8
Sept. 2000	16	7
Oct. 2000	9	9
Nov. 2000	134	149
Dec. 2000	137	159
Jan. 2001	192	156
Feb. 2001	191	159
Mar. 2001	204	176
Apr. 2001	201	170
May 2001	197	194
June 2001	205	205
July 2001	235	209
Aug. 2001	221	203
Sept. 2001	230	200
Oct. 2001	255	225
Nov. 2001	252	212
Dec. 2001	226	198
Jan. 2002	254	203
Feb. 2002	230	203
Mar. 2002	232	213
Apr. 2002	191	196
May 2002	17	16
June 2002	12	7

Source: ND DHS Vision System DB2 tables, calculated by author.

As the chart demonstrates for Cass County, the policies were implemented from November 2000 through April 2002. In Williams County the eligibility supervisor observed that initially little of the available extra money for odd hour care was used. She believes this was due to there being no available odd hour care through licensed, certified or approved providers, who are eligible for CCAP payments. When there was such a provider at Bethel Homes, the costs were in line with the established payment maximums in the Child Care Assistance Program (Reierson 2003).

In Cass County, the effect of the policy was to dramatically increase the TANF grant. This policy was rescinded in April 2002 by staff in Cass County. The local staff had several administrative reasons for discontinuing the practice, problems that would make the method of creating the bundled benefit impractical for use elsewhere in the state. Therefore, this report shows evidence that the policy was actually put into effect but does not attempt to determine whether there was further influence on client behaviors. Actual practice determined that it was not practical to administer in this manner.

There were five main administrative problems with including child care money in the TANF grant. First, a significant number of TANF recipients failed to reimburse their child care providers resulting in a backlash with providers reluctant to accept families

receiving assistance. And, while the prospective payment included in the TANF grant was designed to overcome that problem, in practice, the problem remained.

Second, paying child care prospectively as part of the TANF benefit caused more case maintenance work budgeting, re-budgeting, and recouping. Time was thought to be better used in case management.

Third, the Food Stamps program budget requirements caused reductions in Food Stamp benefits unless complicated budgeting methods were employed. With the quality control requirements in Food Stamps, the errors created by the complicated and constantly changing budgets potentially threaten to bring federal penalties for a high error rate.

Fourth, the added amount to TANF benefits increased the total of uncompensated public assistance paid to the family, thus increasing the liability to the absent parent, who pays child support. Reimbursement for child care from the CCAP carries with it no such incursion of debt.

The fifth reason was the last straw. A technical change in the Vision system required by close reading of the federal regulations, limited recoupment of overpayments to 10% per month. Since child care expenses can vary greatly each month, there was often an overpayment when expenses were less than expected. Earlier recoupment procedures allowed for a quicker (20% per month) recovery of excess amounts. The 10% recovery rate per month served to extend the time needed to balance accounts and lengthened the case manager's budget monitoring horizon. Together, all these problems led to too much administrative work and a threat to the availability of child care services to families on public assistance without which families might not be able to leave assistance⁵ (Schock 2003).

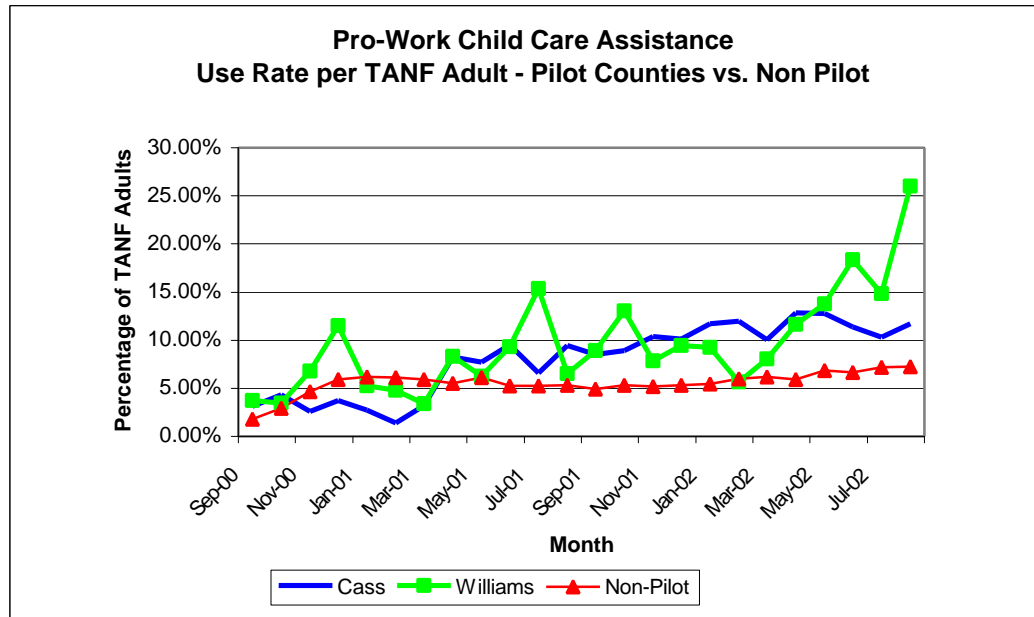
The pilot project steering committees were interested in the patterns of use for the Child Care Assistance Program (CCAP). In particular, they believed child care assistance played an important role in the transition off TANF. Additionally, there was interest in learning about client activities supported by child care, i.e., employment versus education/training.

Here the report examines use of the Child Care Assistance Program. By matching the clients involved in the pilot projects against the CCAP system, the extent of use of the CCAP for transitioning off TANF and for education and training was examined. Pilot project staff thought there would be more transitional child care (Pro-Work Continuing Assistance)⁶ and more child care used for education and training while the family was still on TANF.

⁵ Problems cited for inclusion of child care in the TANF grant are observations of program staff. The evaluation team did not independently verify the statements.

⁶ Pro-Work Continuing Assistance provided an additional six months of child care assistance to families leaving TANF at a 100% reimbursement rate up to the maximum allowable amounts allowed by the CCAP. This transitional child care assistance was started in the Williams County pilot project and became statewide policy with minor variations beginning in September 2000. The analysis, then, allows for comparison with non-pilot counties.

Figure 13

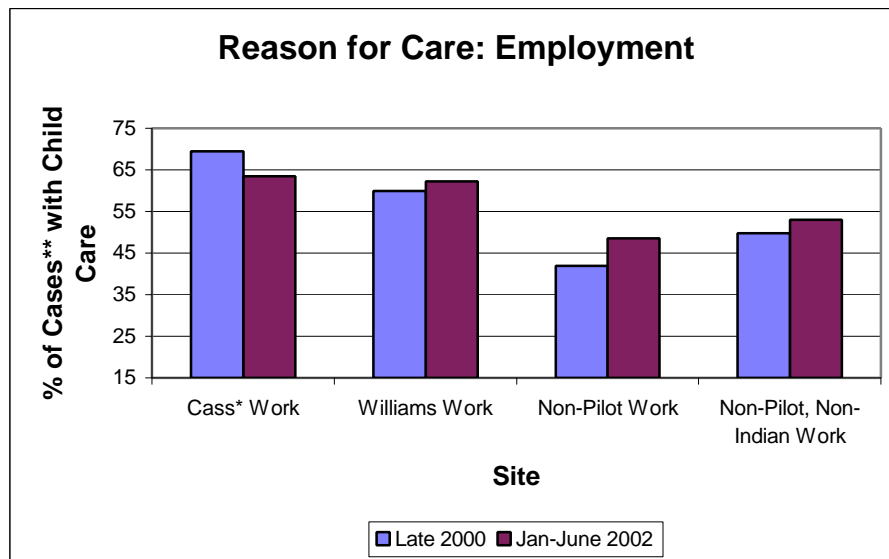


Source: ND DHS, Vision System DB2 tables and CCAP system ADATABASE tables, calculations by author.
ND DHS PA U:/^Melby/TANF/PilotProjects/CassWmsEval/Child_Care_ProWork

According to Figure 13, as a percentage of TANF cases, more have Pro-Work, transitional child care assistance in the pilot project counties than in the other areas of the state. This may be due, in part, to differences in the rate (higher) at which clients leave TANF in Williams and Cass Counties.

The reason for child care for those on TANF was also of interest to the steering committees. Cass County runs counter to the trend of using slightly more child care for employment than for education and training.

Figure 14

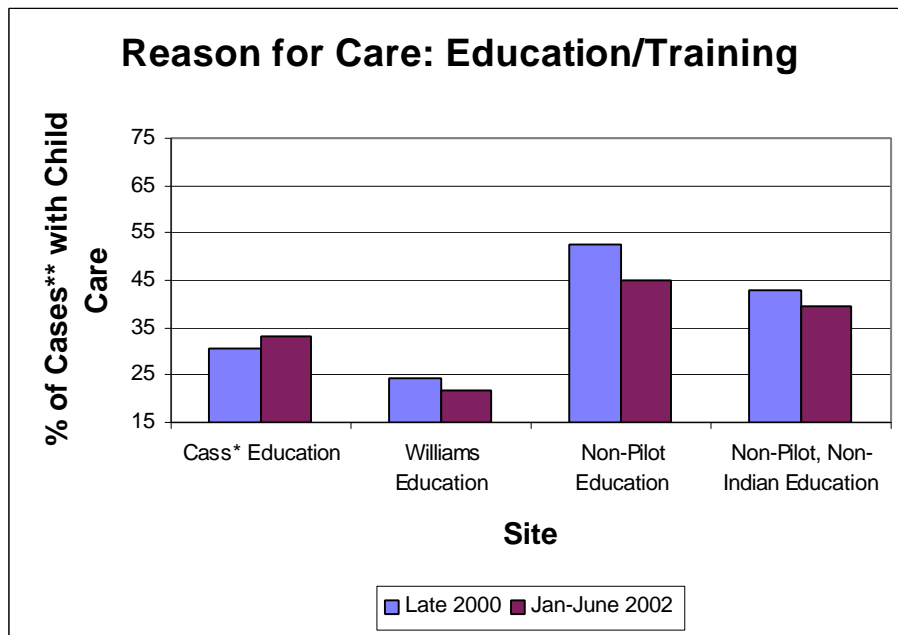


Source: ND DHS Vision System DB2 tables and CCAP system ADATABASE tables, calculation by author.

* Cass utilized the CCAP for only a few months during the periods analyzed.

**Percentage of active TANF cases using CCAP. CCAP is available to eligible, non-TANF families.

Figure 15



Source: ND DHS Vision System DB2 tables and CCAP system ADATABASE tables, calculation by author.

* Cass utilized the CCAP for only a few months during the periods analyzed.

**Percentage of active TANF cases using CCAP. CCAP is available to eligible, non-TANF families.

3.1.5 TANF Sanctions

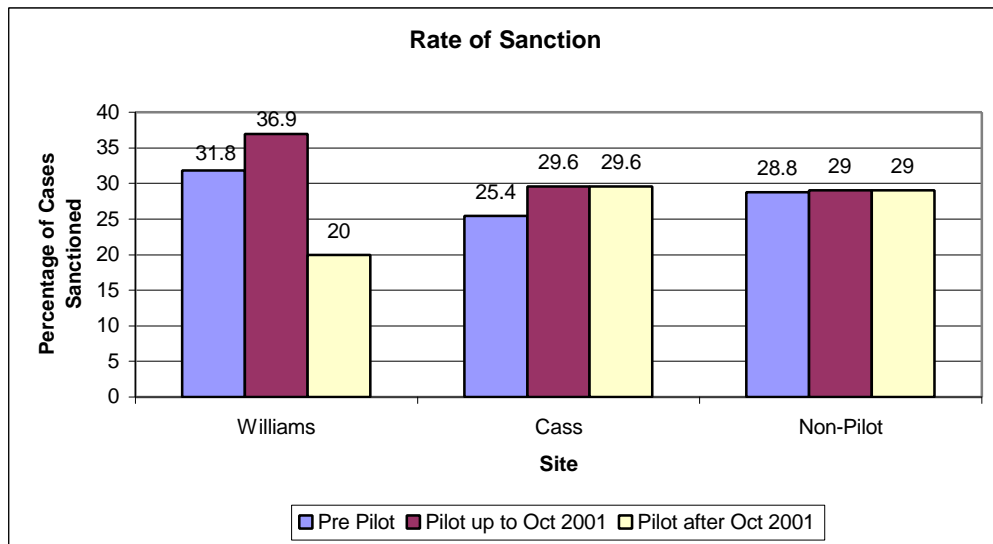
Repeal of the progressive sanction was a major feature at both pilot sites. So inhibiting to program service participation it was viewed to be, that based on anecdotal information, a policy similar to Cass County's was put into effect statewide in March 2003. Here the study provides analyses of the sanction policy impact.

For the analysis, the RESPPROD_CASE_BENEFIT table was used to determine those cases on TANF in each period—before the pilot project and after the pilot project. Likewise, cases were grouped into a Cass, Williams, and Non-Pilot categories. It was necessary to use other tables including: RESPPROD_CLIENT_MONTH_INC and RESPPROD_F_U_MBR_PARTICIPANT. In order to create a one-month sanction and reduce the grant amount, TANF case managers in Cass County entered the appropriate grant reduction amount as unearned income, which reduces the TANF grant dollar-for-dollar. The usual method of entering a sanction would have treated the case with the rules used elsewhere in the state.

The Williams County steering committee set a goal of reducing sanctions by 50% and maintained the standard progressive sanction policy until October 2001. Analysis of the rate of sanction is partitioned into three periods—1) prior to the start of the pilots, August 2000; 2) during the first year of the pilots from Sept. 2000 to Sept. 2001 to accommodate Williams County's initial approach; and, 3) post October 2001 after Williams changed to a strict sanction policy. As shown in Figure 10, Williams County actually increased its rate of sanction in its initial approach before reducing the rate of sanction later in the pilot and reaching its goal. Cass had a slight increase in rate of sanction. Non-pilot areas were constant.

During the entire pilot project in Cass County and starting October 2001 in Williams County, sanctions include case closure. The analysis includes these case closures.

Figure 16

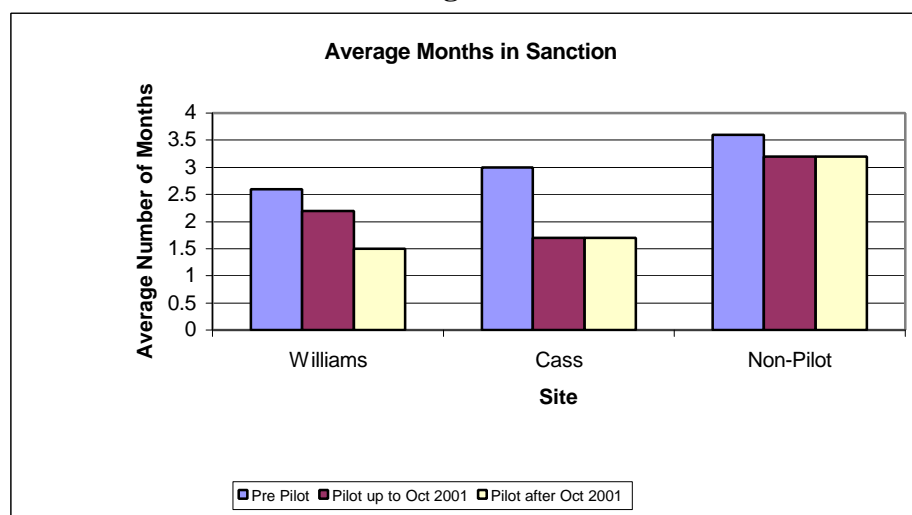


Source: Vision System DB2 tables, calculations by Research and Statistics Division and author.

Cass and Non-Pilot sites had the same sanction policies from August 2000 through December 2002, so calculations were made in aggregate for the whole period.

In Cass County, the opinion of eligibility staff and JOBS Coordinators is that the one-month sanction is sufficient to communicate the work requirements of the program. During the one-month sanction, clients remain connected to JOBS and other supportive services. Program staff believe the continued contact and services help to keep clients on-track in their work toward self-sufficiency compared with the standard practice of dropping JOBS work activity requirements during what were often longer sanction periods under the regular sanction policy (Schock 2003). The reduction in the average number of months of sanction also works to maintain program continuity.

Figure 17



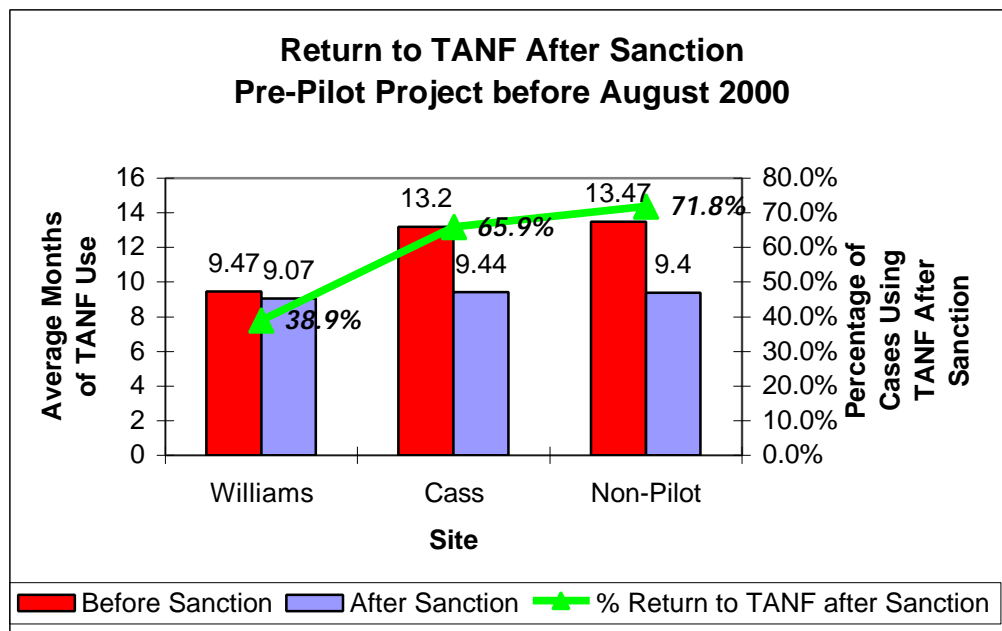
Source: ND DHS Vision System DB2 tables, calculations by author.

Cass and Non-Pilot sites had the same sanction policies from August 2000 through December 2002, so calculations were made in aggregate for the whole period.

Complete case closure after one-month of sanction results if the client continues their non-compliance. At this point, the TANF benefit ends, as does involvement with the JOBS program. Transitional supportive services may continue for up to six months for employed former clients. They may also remain eligible for Food Stamps, Medicaid, Housing Assistance and other programs. However, their cash assistance is over.

To better understand what this means the author reviewed, in detail, files of cases that were closed due to the sanction policy. Of those cases reviewed (about half), 34% came back onto TANF at some point in the future. That percentage will likely go up over time if those cases more recently closed reapply at some future date. Closed and re-opened cases do not remain open for very long. The average length of stay on TANF for the cases reviewed was 14.6 months. The average number of months before case closure was 12.1. When the case re-opened, it was for an average of 2.5 months. Figure 18 shows how sanctioned individuals utilized TANF after their sanction. The line indicates the percentage of sanctioned cases for each site that returned to TANF after sanction during the period before the pilot projects. The bars are the average number of months of TANF use before (left, red) and after (right, blue) after sanction.

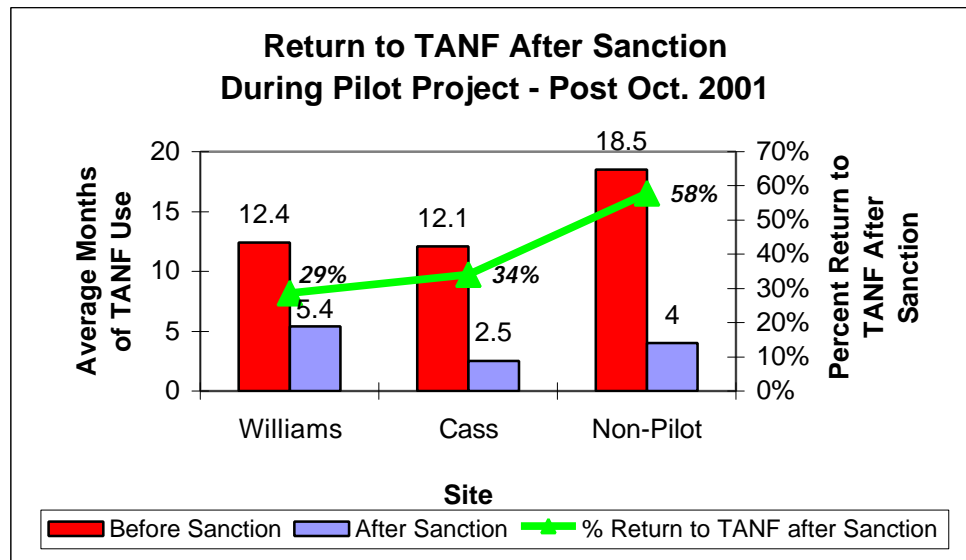
Figure 18



Source: ND DHS Vision System DB2 tables, calculations by author.

After the initiation of the pilot project, the patterns of post sanction TANF utilization change significantly. See Figure 19.

Figure 19



Source: ND DHS Vision System DB2 tables, calculations by author.

This finding is interesting, and, in combination with observations made by eligibility staff and JOBS coordinators, it might fill out a picture. Leaving TANF, for many families, is not a smooth transition. Typically, the single parent leaves with a low paying job. They still have child care expenses and perhaps unreliable transportation. Often there is not a good support network. A job loss or cut in hours can send someone back to the social service office. The next time out they have better work experience and coping skills and are more likely to remain off TANF entirely or at least for a longer period (ND DHS 2002).

Families that leave due to a sanction that caused the case to close may be different situations. It is not known. A good follow-up study, perhaps involving survey work, would be required in order to understand, definitively, client circumstances. However, there is contact with these cases through other economic assistance programs. The views are only anecdotal from eligibility staff, but the belief is that most of the families whose cases close due to sanction likely would have closed otherwise. Some clients, after becoming employed, stop cooperating with program requirements and are sanctioned. The attitude among these clients seems to be that they no longer need to follow the rules. They are sanctioned one month, and then the case closes. Earnings are such that the case would close or they may still be eligible for only a small grant. They choose, according to eligibility staff, to leave the program. Likewise, other cases have other means of support. Often a boyfriend or the other parent of one of the children is providing some type of support. So, the client chooses to leave TANF and rely on other support rather than comply with program requirements.

Williams County Sanctions

In Williams County, the sanction policy developed differently and evolved over the course of the pilot project. At the start of the pilot project in early 2000, there was no difference in the sanction policy from the standard state policy. However, eligibility staff and JOBS Coordinators saw, in their opinions, too many TANF clients who were not engaged in work activities while they served out sanctions for up to six months. This

non-involvement was seen as time that could have been used to help develop skills and traits that would better lead to self-sufficiency. In Williams County, the cause of sanctions was seen differently than in Cass County.

This led to a different approach initially. Rather than cause a client to discontinue their involvement in the JOBS program through sanctions, every effort was made to not impose any sanction. Clients were cajoled, encouraged and reminded about the “work first” nature of the TANF program and the long-term benefits of getting work experience, but to no avail. Clients did not comply with program requirements. In Cass County the belief, upheld by data, was that clients were not making the initial contacts with the JOBS program as required. The reason was believed to be the physical separation between the JSND office and the county social service office. In Williams County where the two agencies are next door, non-compliance problems came later and reflected on the clients’ situations (Reierson 2003).

The next step was to create a stronger sanction. Under this new policy, the first sanction caused a full-case closure with no benefits for one month. Subsequent sanctions were three-month case closures. This has remained the policy in Williams County since October 2001. There was a further refinement in February 2002. Pilot project staff felt that many clients re-applying for TANF after having been sanctioned were doing only the barest minimum to “cure” the sanction in order to become eligible again. Once they received a benefit, they became non-compliant almost immediately. The response was to increase the time needed to demonstrate compliance from 10 days to 15 days for the first sanction and to 30 days for the second and subsequent sanctions. The longer trial periods were intended to help develop positive traits needed for getting and keeping a job such as making appointments, obtaining child care, having transportation, and the ability to make alternate arrangements should there be problems (ND DHS 2002). Often the sanction, along with the longer trial period, exposes a problem the client may not have communicated previously. Examples include no back-up child care or sick-child child care, a child’s problem in school, or perhaps a domestic violence situation. Many of these can be addressed by services in the community, if staff is aware in order to make the referral.

3.1.6 Education and Training

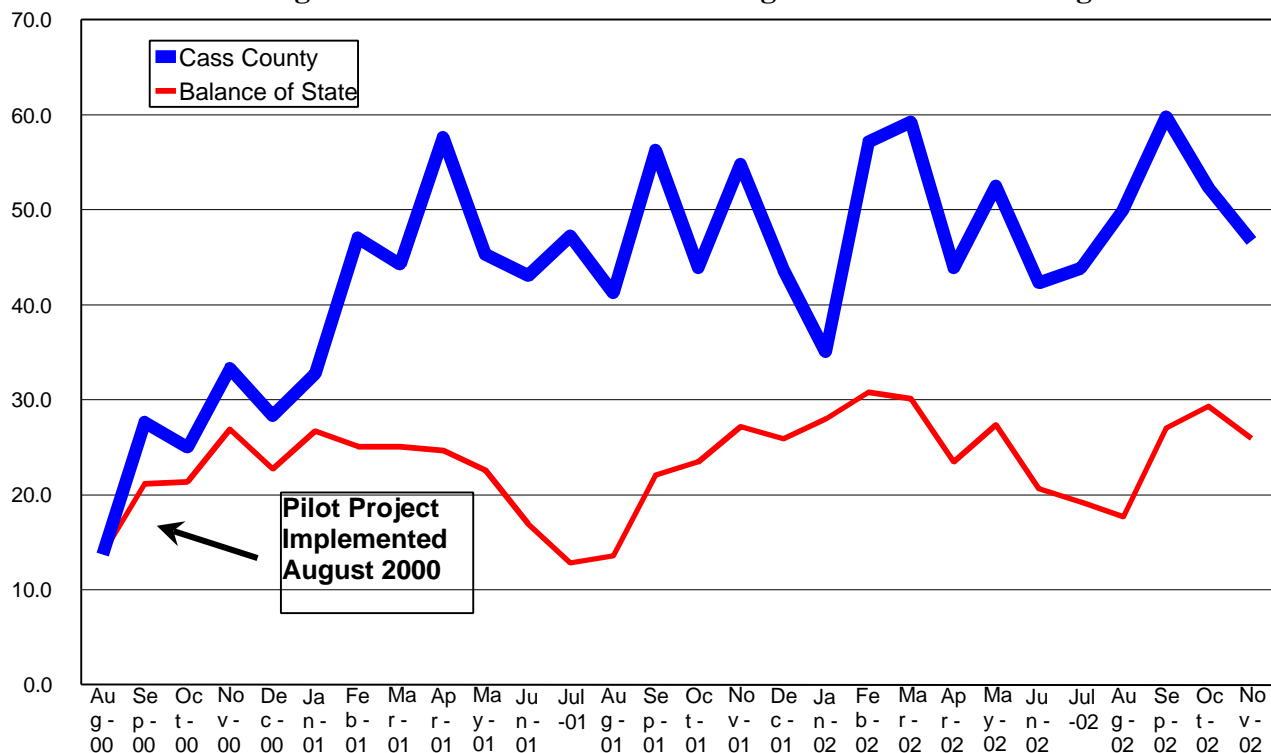
TANF is “work first” in orientation meaning a philosophy of temporary assistance until the family can find work and earn enough to leave the program. Education and training are not emphasized except for teen parents. In somewhat of a counter-step to the direction of the national program, both pilot projects had an interest in appropriate education and training as methods to help move families toward self-sufficiency. In both there was a \$500 incentive paid to clients who obtain their high school diploma or GED. For vocational education or higher education in Williams County, the case management team looks at each case individually in deciding if the education or training should be allowed in lieu of the usual work approach. The case management team weighs the client’s probable ability to complete the education or training and how it might lead to self-sufficiency.

Cass County has generally a stronger orientation toward education and training. Partly this is due to characteristics of the caseload. There is a significant refugee population that

is perceived as needing more English language skills. The case management team has more interaction with Vocational Rehabilitation services at the SE Human Service Center. As a work activity, vocational education is allowed for up to two years, twice the level for countable activity for the federal rules. Federal rules allow education and training to count toward work participation only after a minimum number of hours are completed in other activities more of a work nature. Cass County then is pursuing more education and training than envisioned in the federal TANF law.

To measure any change in the pilot projects' emphasis in education and training, analysis was done in two areas. First, from the Federal TANF Data Reporting tables calculations were made on the percentage of clients who meet the federal work requirements and who use some training or education. The analysis looks at Cass County because of the greater emphasis placed on training and education and because of the larger sample size. The results in Figure 20 show an increase in clients meeting their work requirements with some education or training. Cass County is shown in blue and the Non-Cass counties are shown in red. At the start of the pilot project, each area of the state was at the same level. While both have increased, Cass County has increased to roughly 50% of the cases meeting requirements by using some education or training while the Non-Cass areas average around 25%. Both started at about 14% in August 2000.

Figure 20. Work Activities Including Education or Training



Note: As used in this document, "working" means participating in one or more JOBS program activities during the month for a weekly average of at least one hour. Based on TANF data used for Federal Reporting purposes.
 * Includes those in school, vocational education, and in education related to employment

Another measurable aspect of education emphasis is the number of \$500 incentives paid to those who complete a high school diploma or GED. The analysis was done by looking at the RESPPROD_CLNT_MONTH_EXPENSE table in the Vision System. Payments of the incentive are recorded in the system as an expense incurred by the client and

reimbursed by the TANF program. Cass County has had 19 graduation incentives paid. Only slightly more than half were during the pilot project period. It does not appear that the pilot project was a significant influence on this item. The incentive may be useful, but other methods of analysis, such as client interviews or surveys, would be needed. Additionally, this incentive policy was adopted as standard state policy shortly after it was launched in the pilot projects.

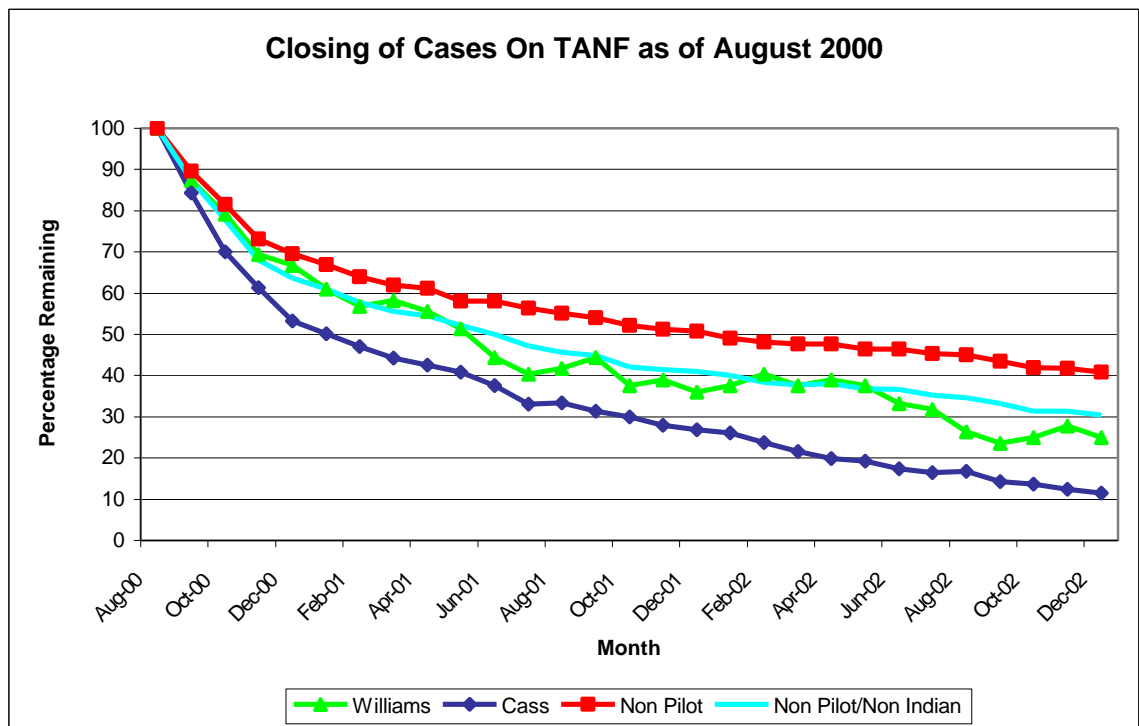
3.2 Outcomes for Families

This section examines various measures of client outcomes.

3.2.1 TANF Exit

With TANF imposing a 60-month lifetime limit, one underlying purpose for the pilot project was to help families move to self-sufficiency before they reach their limit. Figure 24 shows how cases on TANF toward the start of the pilot projects in August 2000 were able to leave the program over time.⁷ For example, Cass County shown in dark blue, by October 2001 only had 30% of the original August 2000 caseload still on TANF. Cass has a stronger decline for four possible reasons: 1) the economy is stronger in Cass County offering more employment opportunities; 2) Cass County has fewer Child Only cases, so work requirements apply to a larger portion of the cases; 3) as a border community clients are more easily able to move out of state; and, 4) the pilot project may have been effective in Cass County.

Figure 21. Caseload Decay over Time – Percent Remaining by Month



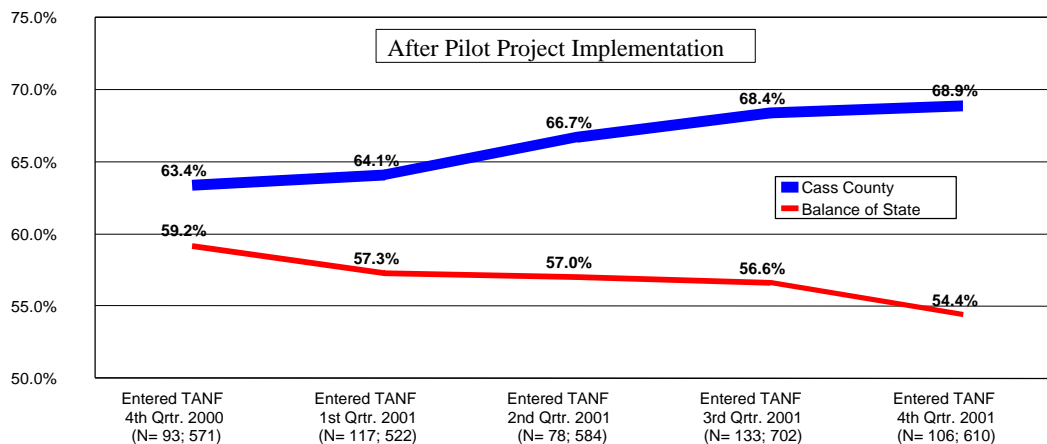
Source: ND DHS Vision System DB2 tables, calculations by author.
ND DHS PA U:/^Melby/TANF/PilotProjects/CassWmsEval.

⁷ The analysis in Figure 21 shows all cases including Child Only. The analysis does not consider cause of case closure. Some cases may have moved out of state so the picture shows more than just effects of the pilot projects.

Exiting TANF is one measure chosen as an indicator of movement toward self-sufficiency. Granting that there are other possibilities, TANF case closure is a proxy for earnings and/or other support that allows some amount of self-sufficiency. To further the examine the pilot projects' impact, the analyses operationalized a measure of timeliness to TANF exit as the percent of cases that entered TANF in a given quarter, and had exited within four quarters (12 months). By using the "RESPPROD_CASE_BENEFIT" table from the Vision System, an unduplicated list of cases entering TANF each quarter, beginning with the fourth quarter of 2000 (immediately after implementation of the pilot projects) and ending with the fourth quarter of 2001 was created. Also created was an unduplicated total list of clients for each quarter. Each entry file was merged with the listing for the corresponding quarter one year later. Clients no longer on TANF four quarters later counted as "Off within Four Quarters."

As seen in Figure 22, the percentage of cases that exited within four quarters was only slightly higher in Cass county (63.4%) than the "Non-Cass" cases (59.2%) immediately following implementation of the pilot project, the fourth quarter of 2000. However, Cass continued to gain ground on this measure following the implementation of the pilot project, increasing to 68.9% in the fourth quarter of 2001, while the rest of the state decreased to 54.4% in the fourth quarter of 2001. Thus, the data suggests that TANF recipients are exiting TANF more quickly following implementation of the pilot project compared to recipients in the rest of the state.

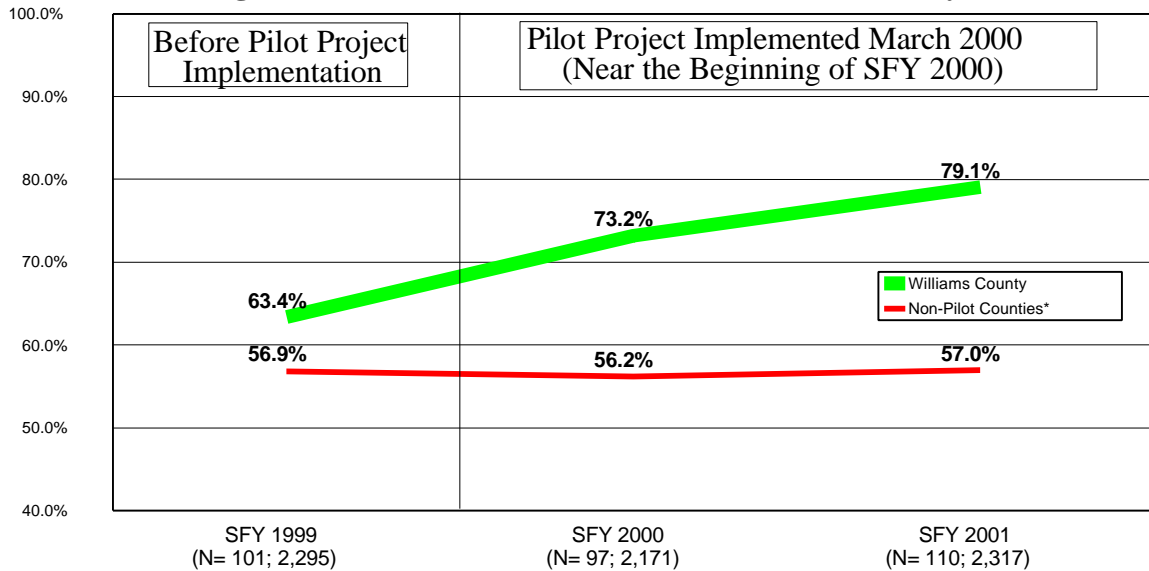
**Figure 22. TANF Exit within 1 Year – Cass County
Percent of TANF Families That Exited TANF within Four
Quarters (Approximately 12 Months) From Time of Entry**



Source: ND DHS Vision System DB2 tables, Research and Statistics Division.

A similar analysis was done for Williams County. Only, because of the small sample sizes, fiscal year periods were used. The results in Figure 23 show a comparable outcome to Cass County.

Figure 23. TANF Exit within 1 Year – Williams County



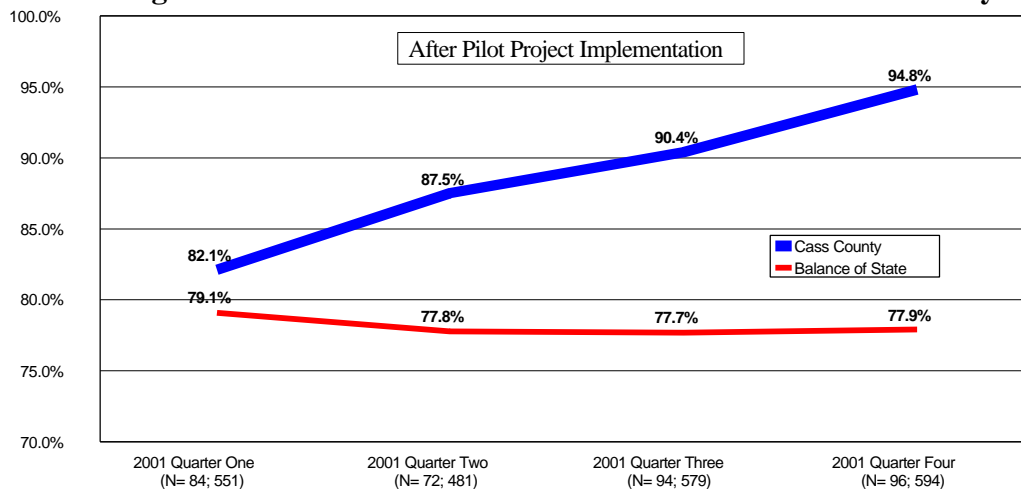
* Represents statewide cases excluding cases in Williams County and Cass County.
Source: ND DHS Vision System DB2 tables, Research and Statistics Division.

3.2.2 Remaining off TANF

Once recipients exit, pilot project planners believed it was important that they were able to remain off TANF. To examine this, those who exited TANF each quarter in 2001 were compared to those who were on TANF four quarters later to learn whether they had returned to TANF.

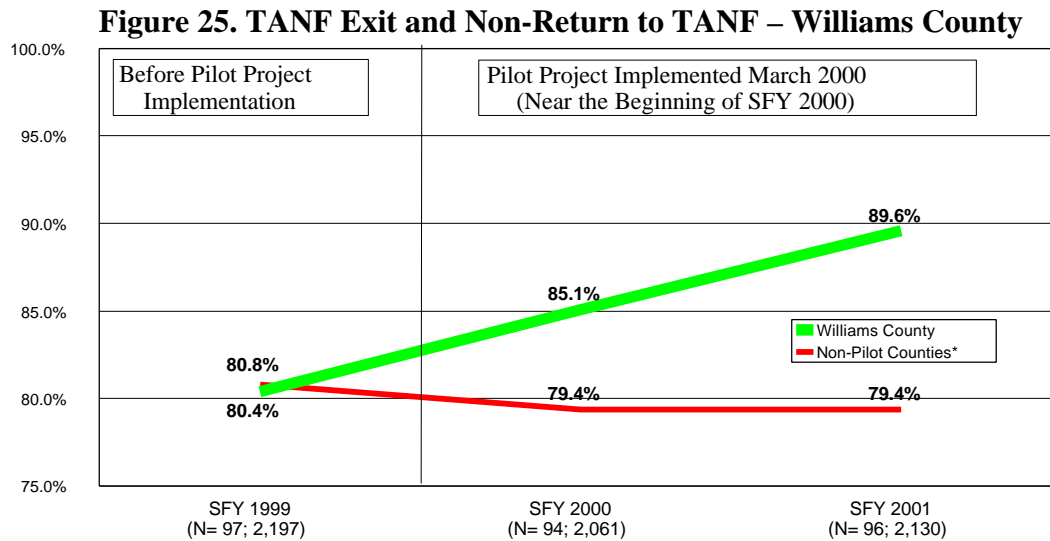
The percentage of cases that did not return to TANF was nearly the same in the first quarter of 2001, shortly after implementation of the pilot project (Cass = 82.1%; Statewide excluding Cass = 79.1%). However, the percentage of clients who were not active in TANF four quarters after exiting in TANF increased to 94.8% in Cass County by the fourth quarter of 2001, while remaining fairly constant in the rest of the state.

Figure 24. TANF Exit and Non-Return to TANF – Cass County



Source: ND DHS Vision System DB2 tables, Research and Statistics Division.

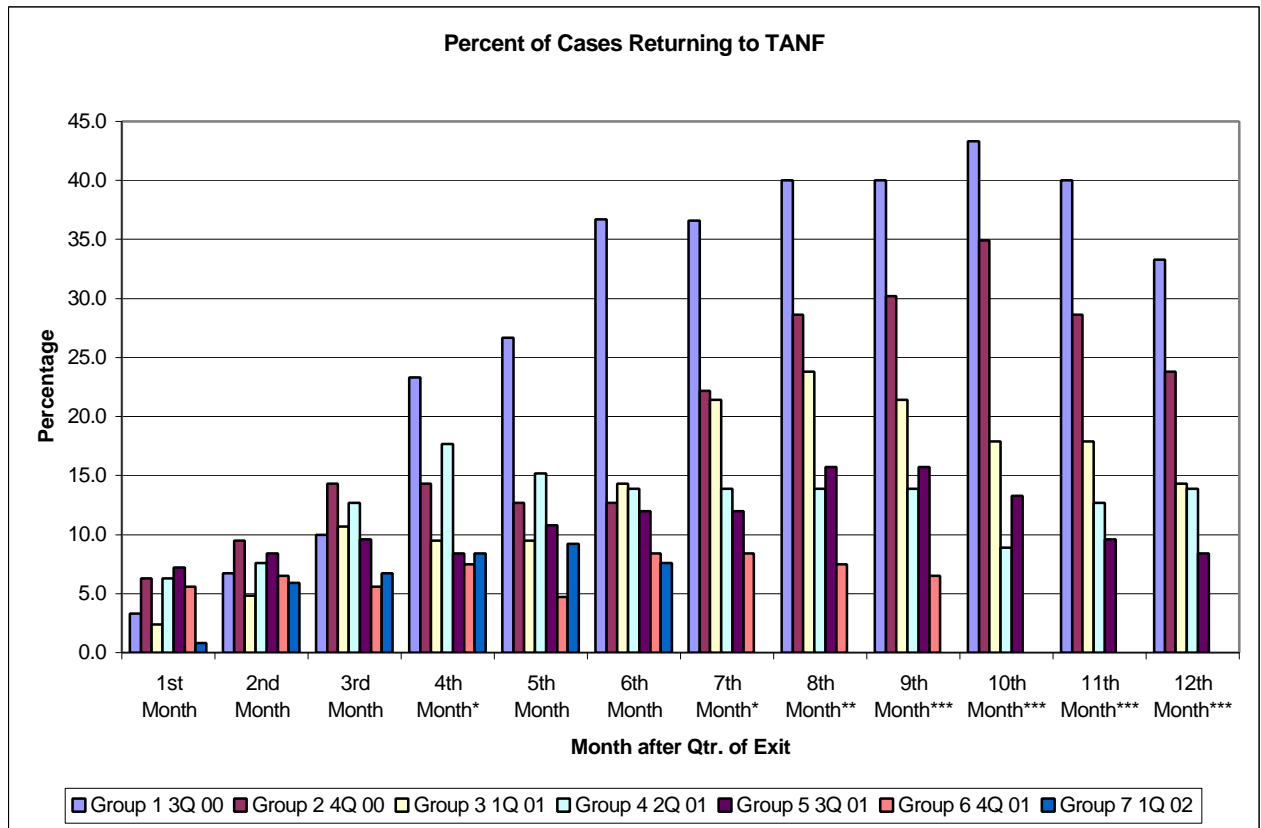
Likewise, analysis proceeded for Williams County using fiscal year rather than quarter data due to the much smaller number of cases than in Cass County. The congruent findings are illustrated in Figure 25.



* Represents statewide cases excluding cases in Williams County and Cass County.
Source: ND DHS Vision System DB2 tables, Research and Statistics Division.

In Figure 26, TANF recidivism is depicted by looking at TANF cases for each quarter and following them after they leave. What the chart shows on the left hand side are groups of people the first month after they leave TANF. Then, moving to the right, each group is shown in subsequent months after leaving TANF. The group represented by the bar on the far left side in each monthly period is the first group to leave TANF after the start of the pilot project. The second bar in from the left represents the second group to leave TANF after the start of the pilot project. Likewise, each bar to the right is a representation of a later group of leavers. After leaving, the first group came back on TANF at a higher rate than later groups—up to 40% by the 8th month. In color copies of this report that group is shown in medium blue. Compare this to groups that left several quarters later. Recidivism declines sharply for later groups. Results are statistically significant starting with the fourth month.

Figure 26. Recidivism by Month – Cass County



Source: ND DHS Vision System tables, calculations by author.

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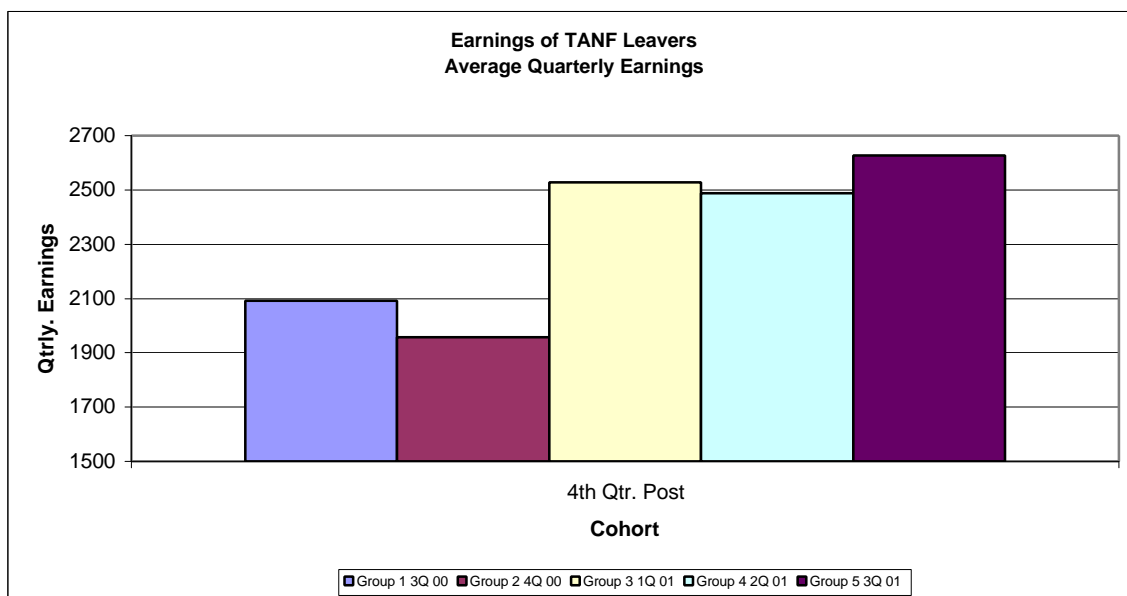
Note: * significant at 90%; ** significant at 95%; *** significant at 99%. See Appendix A6.

A similar analysis was done for Williams County and is included in the appendix. However, there is no discernable pattern of improvement. In Williams County, the rate of recidivism even at the start of the pilot project was never as great as Cass County running about 10% after 8 months compared to 40% for Cass County. Another factor with Williams County is the relatively small number of leavers in a given quarter, about 20. With small numbers even the change of circumstances for one or two families makes a much larger percentage change than for a couple families in Cass County and does not provide a large enough sample for trends to emerge.

3.2.3 Earnings

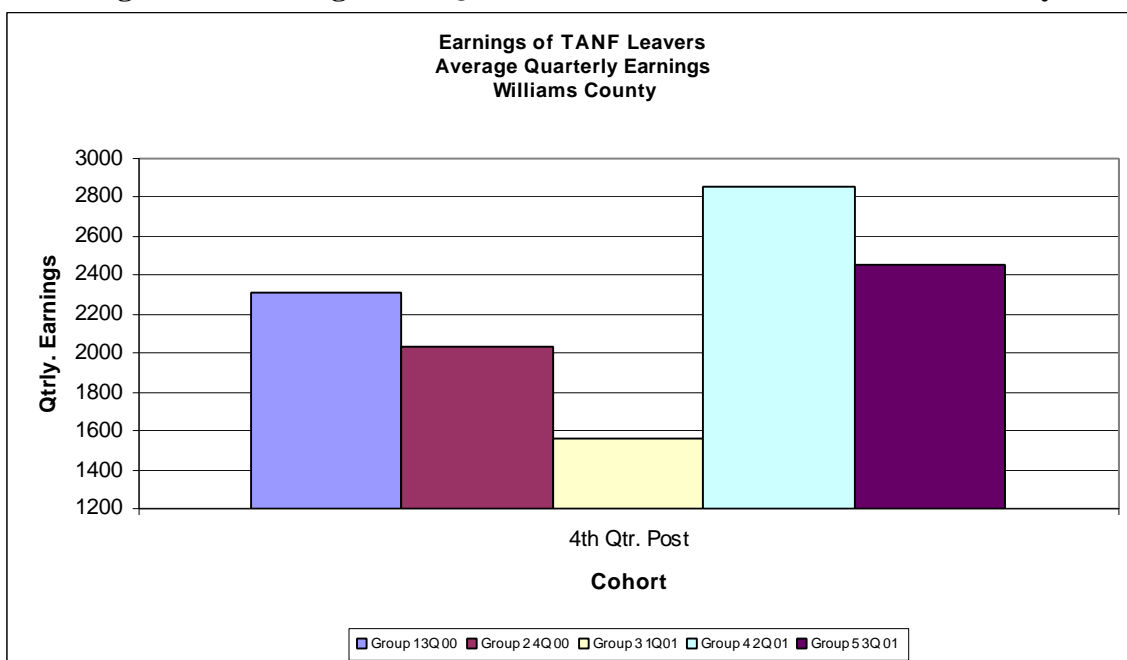
Post TANF earnings are of interest in knowing whether clients are doing as well under the pilot. A listing of clients on TANF during the pilot project was sent to JSND and matched against quarterly earnings data. From that combined data-set the analysis over time follows groups of TANF leavers and clients by quarter. Figure 27 shows earnings four quarters after the close of the TANF case. On the X-axis from left to right are the groups of TANF leavers with those on the left representing the group just after the start the pilot projects. Moving right, later groups show increasing levels of earnings four quarters after leaving TANF.

Figure 27. Increase Earnings 4 Quarters Post TANF Exit – Cass County⁸



Source: ND DHS Vision System DB2 tables and JSND Unemployment Insurance Quarterly Earning data, calculations by author.
ND DHS PA U:/^Melby/TANF/PilotProjects/CassWmsEval

Figure 28. Earnings Four Quarters Post TANF Exit – Williams County

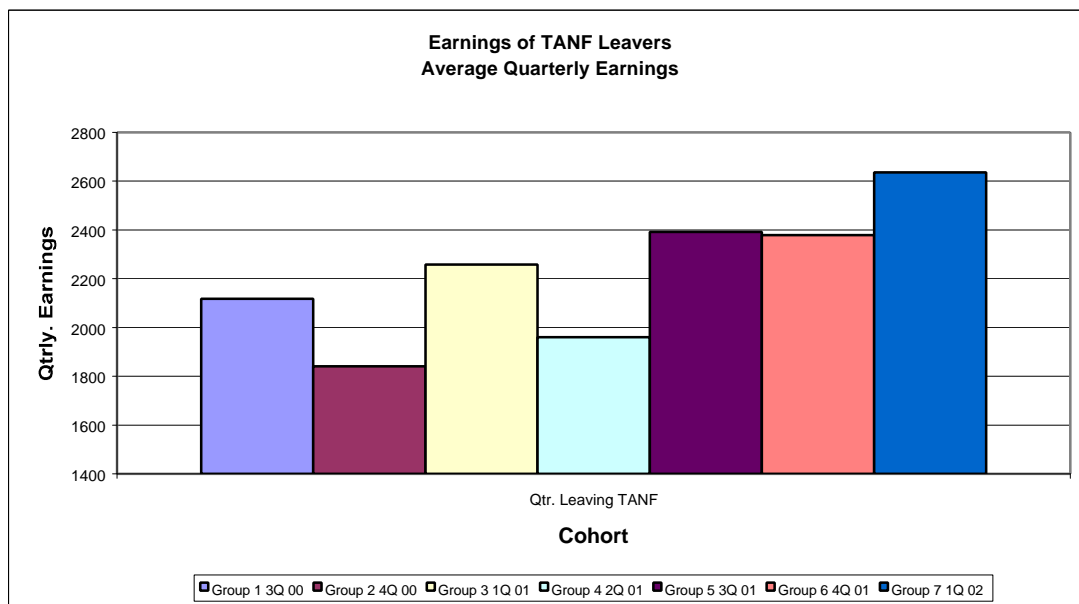


Source: ND DHS Vision System DB2 tables and JSND Unemployment Insurance Quarterly Earnings data, calculations by author.
ND DHS PA U:/^Melby/TANF/PilotProjects/CassWmsEval

⁸ Statistical tests on significance found comparison between groups was significant only for the third and fifth groups in Cass County; significant at the 95% level. See appendix. Tests of earnings for Williams County were not significant. The conclusion is that there was neither improvement nor deterioration in earnings during the pilot project period.

Williams County does not mirror the result seen in Cass County with an increasing trend throughout the pilot project for leavers four quarters post exit. It does show, however, a strong improvement in the last two quarters. This wide variance is likely a result of the small number of individuals in the sample for Williams County. Sample sizes for leavers with earnings in Williams County were in the mid-teens for each quarter. One or two families having substantially higher or lower earnings would have a major impact on the average quarterly earnings shown above. In Figure 29, the graph depicts the quarter of exit earnings for families in Williams County. Here an improvement is noted as a continuous trend through the course of the pilot project. Again, the small sample sizes reduce the significance of this observation. As with Cass County, the statewide leavers study, and national leavers studies, earnings in the second subsequent quarter fall off before recovering in later quarters (US DHHS ASPE 2001 & Melby 2003). The earnings data show no harmful effects to those clients involved in the pilot project. And there is modest evidence of a significant improvement in post-TANF earnings.

Figure 29. Quarterly Earnings for Quarter of Exit – Williams County



Detailed earnings charts for each quarter and site are included in the appendix.

For income there is no comparison done between each of the pilot counties and the non-pilot areas. Another study (Melby 2003) found post TANF earnings are highest in the least economically vibrant areas of the state. Even the present study shows Williams leavers with higher earnings than those in Cass County. Both seem counter-intuitive. An explanation offered is that strong economies have an abundance of low wage, service sector jobs that TANF clients are able to get. In areas with weaker economies, the low wage service sector is smaller. People with more qualifications, and possibly accepting underemployment, take available jobs. In those areas, TANF functions as a waiting room, while people seek more rare, but somewhat better paying jobs than the very part-time, low wage jobs usually left to TANF recipients in a city such as Fargo. This means a comparison of earnings among counties for TANF leavers is not useful as an indicator

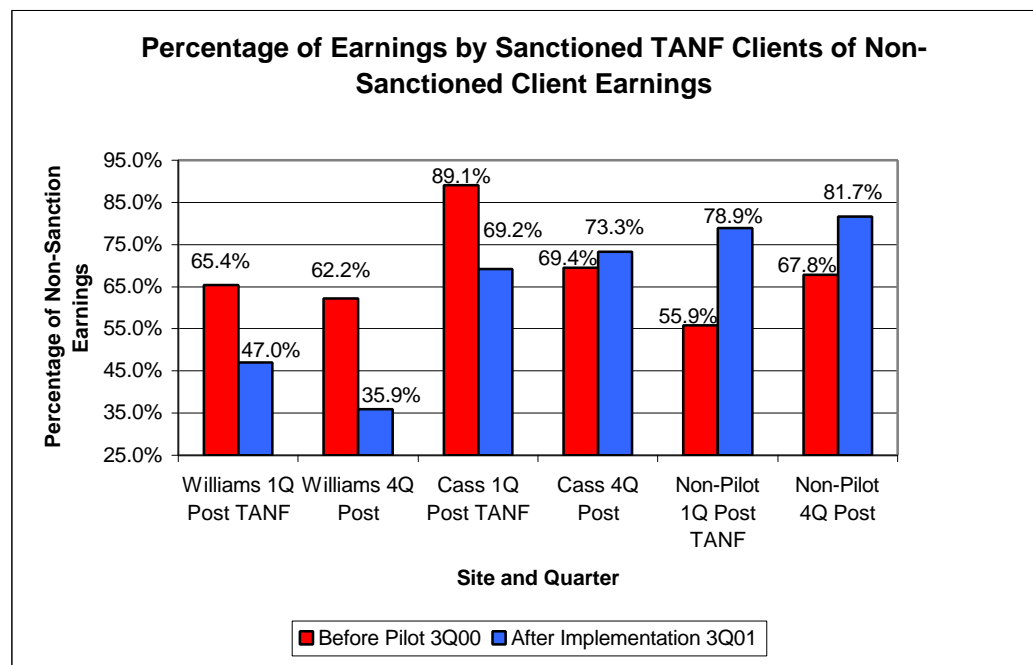
of pilot project outcomes; the useful comparison is within the same county before and after the pilot project implementation.

3.2.4 Earnings and Employment of Sanctioned Clients

Because a revised sanction policy figures so heavily in both versions of the pilot project, and because a new sanction policy on the same model was rolled out recently statewide, consideration must be given to any difference in outcomes for sanctioned individuals. A number of analyses were performed. In each variation, those who received a sanction had lower earnings even though they were more likely to be employed initially after TANF.

To make a useful comparison among the pilot sites and non-pilot counties, the measurement was converted. For each site the percentage of sanctioned client earnings compared to non-sanctioned client earnings was calculated. These are shown in Figure 30 for each site before (3Q 2000) and after (3Q 2001) the initiation of the pilot projects.

Figure 30



Source: ND DHS Vision System DB2 tables and JSND Unemployment Insurance Quarterly Earnings data, calculation by author.

ND DHS PA U:/^Melby/TANF/PilotProjects/CassWmsEval

For example as indicated by the graph, in Williams County in the first quarter after TANF, sanctioned individuals earned 65.4% of what non-sanctioned people earned prior to the start of the pilot project compared to 47% after the pilot project. Four quarters after TANF the sanctioned person was making 62.2% of a non-sanctioned person's earnings before the pilot project compared to 35.9% after the pilot. Sanctioned people in Cass County fared better.

In the non-pilot areas of the state, sanctioned people also do not earn as much as non-sanctioned. Some of the analysis not shown here (see appendix) may indicate that case

closure sanctions lead to more people becoming employed but at a lower wage. In Williams County where the strictest sanction is applied, the downward trend is disturbing. In non-pilot counties, there was improvement in comparative earnings without any change in the sanction policy.

The pilot project steering committees have expressed the belief that many of those who are sanctioned rather than complying with program requirements have other means of support—perhaps a boyfriend or the other parent of one of the children is providing some support. If true, that may account for the lower earnings. However, the lower earnings give pause. An area for further research is this sanction earnings gap. If it is a result of other causes and is negatively affecting family well being, then it should be understood and addressed.

3.2.5 Economic Assistance Program Continued Use

With the advent of welfare reform and the reduction in the number of cases, there was concern that families might also leave other economic assistance programs for which they continued to be eligible. This was also a concern in North Dakota's pilot projects. Case management, it was believed, would help strengthen the relationship between the families and available resources. Families could earn their way off TANF, but help maintain and improve resources by continuing their use of Medicaid and Food Stamps as they transitioned to increasing levels of self-sufficiency. Simply leaving all forms of assistance at once was thought to contribute to recidivism and greater problems in the future. Here analysis shows a comparison between pilot project and non-pilot project counties in post-TANF Medicaid use.

Figure 31. Post-TANF Medicaid
Percentage of TANF Leavers Eligible for Medicaid Four Months Post-TANF

	Third Quarter 2000	Third Quarter 2002
Cass County	42.5%	53.4%
Williams County	61.7%	61.8%
Non-Pilot Counties	42.9%	76.7%

Source: ND DHS Vision System, High Performance Bonus/MA-SCHIP quarterly report, modified, Division of Information Technology.

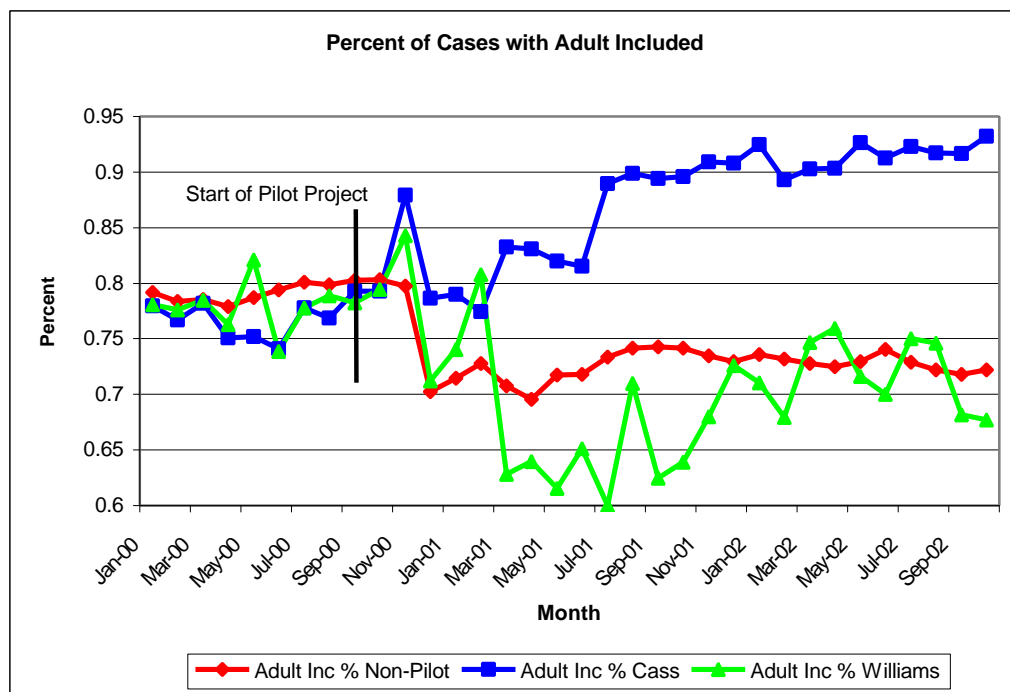
3.2.6 Potential Negative Impacts

There may be unintended negative outcomes. This evaluation, being grounded in administrative data, cannot describe all the difficulties faced by clients. Data available through the Department's programs can shed some light on possible measures of negative outcomes.

An area for additional study is to examine any change in use in Foster Care in the pilot projects that may indicate additional family stress. Pilot project staff interviewed believed that Child Protection/Foster Care use actually decreased or remained constant (Reiersen 2003).

Another possible negative outcome that we can examine using administrative data is any change in the number of Child Only families. The reasoning follows this line: Pilot project rules requiring work are un-palatable or un-obtainable to some parents; so, rather than comply, the children are given up to the care of their grandparents or other relatives. Figure 32 shows the pattern of TANF cases in the Cass County pilot project compared with non-pilot counties. The vertical axis is the percentage of Adult Included cases. The analysis shows an increasing percentage of Cass County cases have the parent included, moving from about 75% in mid-2000 before the pilot project, up to 93% in 2002. The chart also shows the non-pilot and pilot percentage running closely together before the pilot project and Cass running significantly higher than the rest of the state after a few months into the pilot project.

Figure 32



Source: ND DHS Vision System DB2 tables, calculations by author.
ND DHS PA U:/^Melby/TANF/PilotProjects/CassWmsEval

This Child Only case measure is a two-edge sword. If the pilot project worked as anticipated, parents on TANF should move toward self-sufficiency and the case close. So, a positive outcome could be an increase in Child Only cases, as the typical Child Only case would remain open and thus form a larger portion of the total caseload. There could be two interpretations to an increase in Child Only cases. This is presented to show the change in caseload trends corresponding to the pilot project period. Further study is required to understand implications.

4. DISCUSSION

Many findings presented seem to indicate that something changed in Cass and Williams counties coinciding with the initiation of the pilot projects. Of primary concern to administrators, project staff, and others are two things: the impacts to program dynamics and outcomes for clients.

4.1 Hypothesis Examined

Hypotheses stated in the Methods section develop steps to describe the relation of policy change, and program impact through client outcomes and whether the pilot projects can be found responsible.

H1: Policy changes were implemented.

Under the first hypothesis, the study looks at whether policy changes were implemented.

- The co-location of services took place as planned. Though not an item for data analysis, interviews with pilot project staff establish that the co-location was implemented.
- Collaboration in case management was also confirmed by interview with staff.
- Sanctions were imposed differently. This was confirmed by analysis of data that indicate that sanctions were processed in the manner described in pilot project planning documents.
- The child care assistance was paid as a bundled benefit for 18 months in Cass County.
- MH/SA abuse services were provided at the Cass County social service office.
- A mentor was brought on staff in Williams County.
- Change in earnings disregard policy were implemented.
- Education and training incentives were paid.

Together these items point to a complete implementation of the pilot projects in accordance to their planning documents. ***Hypothesis One: Policy changes were implemented – is accepted.***

H2: Policy changes influenced TANF client behavior.

This hypothesis connects the policy changes with changes in TANF program dynamics as measured in various processes and caseload trends. In the findings section, results were shown comparing pre- and post- pilot project measurements. Also, comparison was made among the pilot sites and the rest of the state.

- MH/SA services increased during the pilot project period and compared to other areas.
- Work Activities involving education or training increased in Cass County during the pilot.
- TANF clients increased their work activity hours compared to non-pilot areas.
- Increased Pro-Work Child Care Assistance as compared to other areas.
- Less time in sanctions in pilot areas and compared to the pre-pilot period.
- Less time on TANF after sanction.
- Less time on TANF.

That there are measurable differences coinciding with initiation of the pilot project, and, these differences were observed only in the pilot project counties, would indicate that the policy changes influenced program dynamics. ***Hypothesis Two: Policy changes influenced TANF client behavior – is accepted.***

H3: Families moved toward self-sufficiency.

Under this hypothesis, the report looked at outcomes for TANF clients.

- Clients left TANF more quickly in the pilot project areas after implementation.
- Clients left TANF and stayed off at a higher rate compared to other areas after the pilot project started.
- The pattern of recidivism in Cass County changed, with fewer people returning to TANF.
- Earnings improved four quarters after leaving TANF in Cass County.

Corresponding to implementation of the pilot projects, decreases in TANF and increases in earnings indicate lessened dependency. ***Hypothesis Three: Families moved toward self-sufficiency – is accepted.***

H4: The pilot projects caused the observed trends examined under H2 and H3.

The analysis presents numerous findings that show policy change was implemented, that there was an effect on process, and that there were different outcomes for clients. But, did the pilot projects cause these effects? The best method for determining causality is in a controlled experiment with random assignment and a control group. Since project design did not include these evaluation elements, the question of causality can only be addressed by comparison with areas of the state that did not have pilot projects and by comparison within the pilot project counties between the pre-pilot period and the post implementation period.

Numerous observed differences in process and client outcomes were unique to the pilot projects.

Policies and outcomes different within pilot counties after project initiation—

- Change in the rate of sanctions
- Decrease in amount of time under sanction
- Co-location of JOBS staff and eligibility staff
- Mental health clinical specialist on staff (Cass County)
- Mentor on staff (Williams County)
- Greater use of education and training to meet work activity requirements
- Higher earnings after leaving TANF
- Fewer loss of earnings disregards
- Less Recidivism

Additionally, in comparison between the pilot project counties and the rest of the state—

- Increase use of MH/SA services (Cass County)
- Decrease length of time on sanction
- Higher work activity hours
- Increase agency collaboration
- Fewer loss of earnings disregards
- Shorter time on TANF
- Less Recidivism

The logic of causality and the guiding thought in designing the pilot project go as follows. With collaboration and co-location, clients are enrolled in the JOBS program immediately and this starts the effort at getting them involved in work activities. If, after starting with JOBS, the client does not cooperate, they could be sanctioned and the sanction could quickly lead to case closure. The threat of a meaningful sanction prompts both client and case manager to address barriers. Case management helps to coordinate services, address barriers, and keep clients involved. Those with other support who do not want to be involved in JOBS will close their case or allow it to be closed through sanction. Those who rely on TANF will maintain their open case

and cooperate. By cooperating, barriers are overcome and work activities lead toward self-sufficiency and eventual TANF case closure.

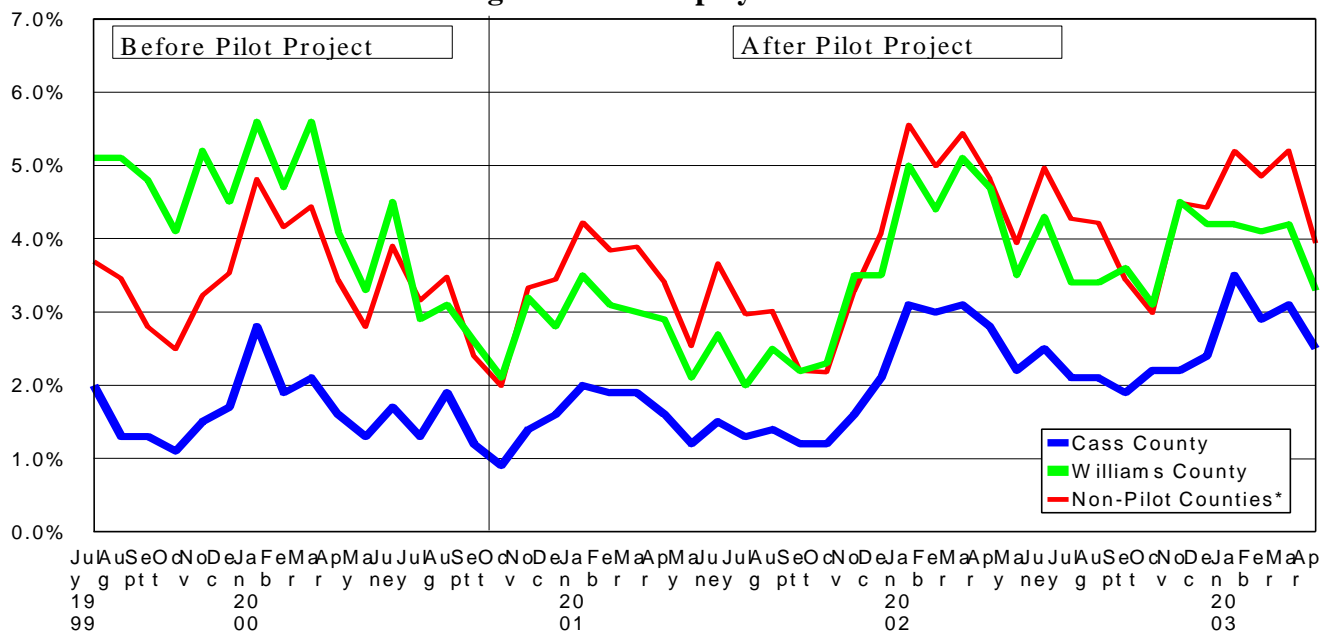
That was the intent. Knowing that intent, the findings could be interpreted to support the conclusion that the pilot projects did bring about the result.

There are alternative explanations for observed outcomes. These fall into two categories. One, that the pilot project counties (especially Cass) are different from the rest of the state. Two, the welfare population has changed in some manner during the pilot project period.

Cass County is the most urban and economically vibrant area of the state. So, one could expect caseload differences between Cass County and other areas. Figure 33 illustrates economic difference by the rate of unemployment. Note that the variance is of a consistent magnitude throughout the period shown from over a year before the start of the pilot project. Although the economy is better in Cass County than statewide, it has consistently been better. The changes observed in the delivery of the program and client outcomes coincided with the pilot project and not any change in this economic indicator. If the changes in the TANF measures could be best explained by a better economy in Cass County, then the improvements would not be expected to coincide with the August 2000 pilot project implementation date, but rather should have been consistently better than the rest of the state both before and after the implementation.

Then there is Williams County, also shown in Figure 33, but unlike Cass, with a near to average unemployment rate. Yet, changes in observed measures are much like Cass County and would seem to run counter to the usual pattern of TANF program use in relation to economic change.

Figure 33. Unemployment Rates



Footnote: Unemployment rates are not seasonally adjusted.

* Represents statewide cases excluding cases in Williams County and Cass County.

The second explanation was a possible change in the group, or to the group, receiving TANF. Although participation in programs such as TANF, Food Stamps, and Medical Assistance are all

influenced by similar economic and social forces, Food Stamps and Medical Assistance are not experiencing patterns like TANF. Families utilize the TANF program differently in Cass and Williams counties following the implementation of the pilot project. The patterns for Food Stamps and Medical Assistance are similar to patterns in the rest of the state and the use patterns for TANF have remained constant in the non-pilot counties.

To quantify the differences, a “use patterns ratio” was calculated taking the average number of families served by the program each month compared to the unduplicated number of families served by the program for the entire fiscal year. For example, if 25 families used a program each month on average and 100 different families used the program at some point during the year, then the ratio would be 100/25 or 4.0. This indicates that the total unduplicated number of families served by the program in a year is four times greater than the average number of families who are served by the program each month.

The ratio indicates how quickly families enter and exit the programs. A higher ratio indicates that families are, on average, using a program for a shorter length of time. As shown in Figure 34 for Cass County and Figure 35 for Williams County, the ratio increased for the TANF program while remaining constant in other counties and for other economic assistance programs in the pilot project counties.

Figure 34

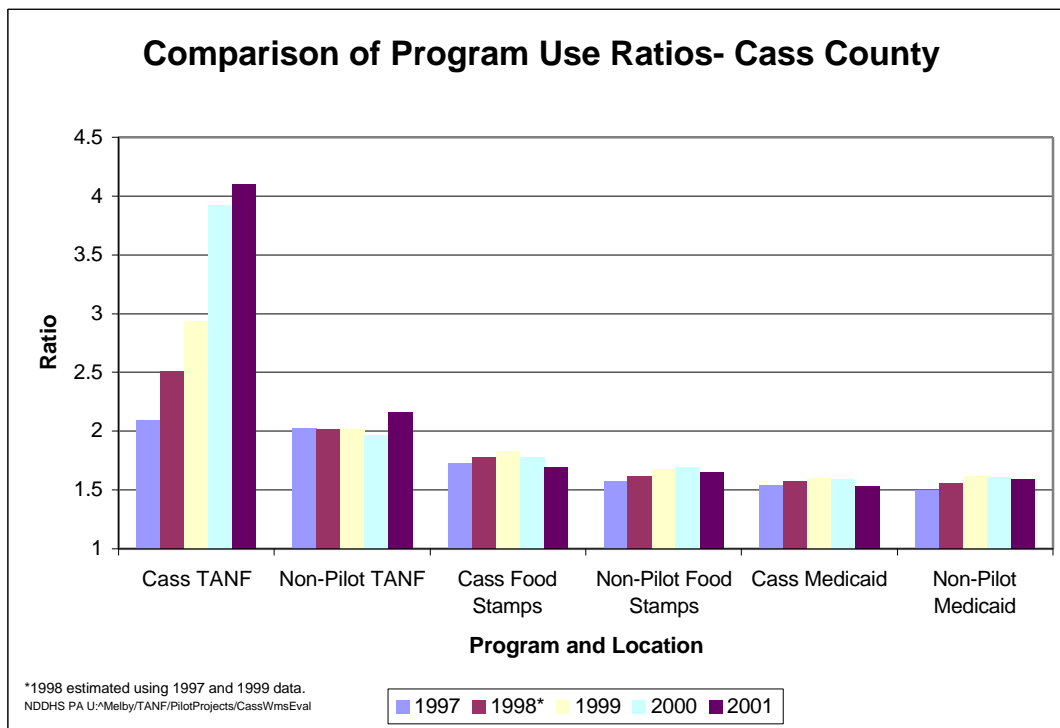
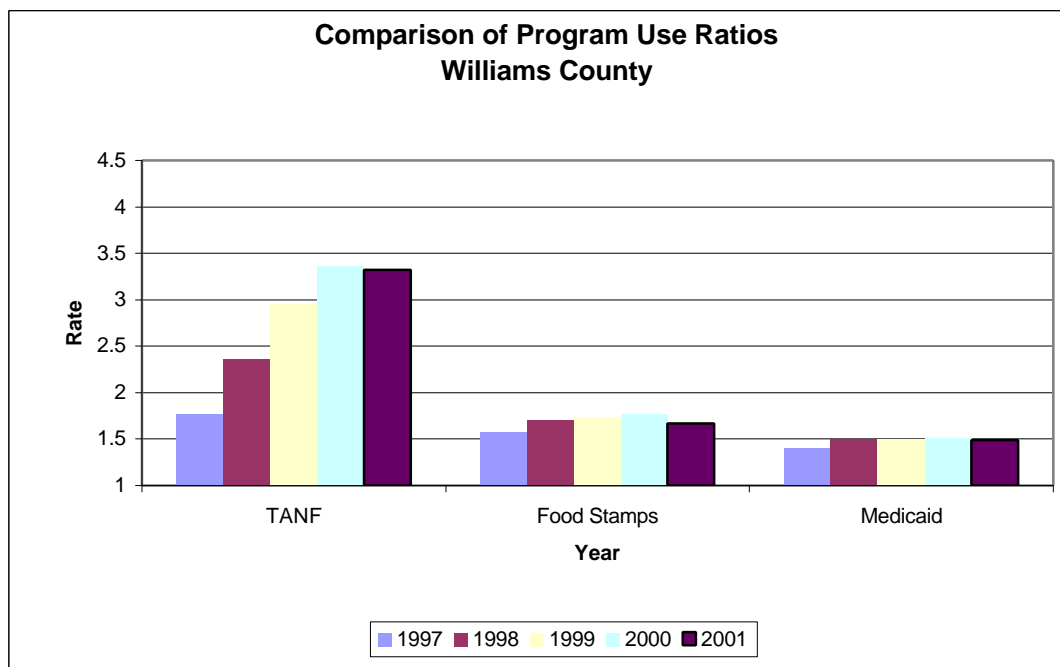


Figure 35



Source: ND DHS "Annual Unduplicated Counts of Eligible Cases and Recipients," calculations by author. 1998 estimated from 1997 and 1999 data.

ND DHS PA U:/^Melby/TANF/PilotProjects/CassWmsEval

In North Dakota about 25% of cases are on two Indian reservations where the 60-month lifetime limit is not in effect because of high unemployment rates. Without the lifetime limit there is less incentive to leave TANF. In addition, the high unemployment rates make fewer opportunities available for jobs and earnings that could lead to self-sufficiency. This large sub-group could skew the view of use ratios. Removing Benson County and Rolette County adult included cases gives a look at the non-pilot counties with Indian reservation cases removed. The turn rate for non-pilot, non-reservation counties is nearly the same as for all non-pilot counties. For non-pilot, non-reservation counties the use ratios for TANF were 2.18 for 1997, 2.34 in 1998, 2.23 in both 2000 and 2001. So removing the Indian reservation counties only raised the turn rate very slightly and not significantly. This would seem to indicate an even stronger case for the influence of the pilot projects on caseload dynamics in Cass and Williams counties.

Hypothesis Four: The pilot project was the cause of much of the observed outcomes both for process and family self-sufficiency—is accepted. While the pilot projects were not controlled experiments, there are sufficient comparative analyses, in both time and location, to conclude that observed outcomes could be attributed to the pilot projects. It is a strong circumstantial case; and, perhaps a stronger case than could have been anticipated when reviewing an operational, real-world policy alternative, rather than the preferred, controlled experimental model.

Overall, with the acceptance of all four hypotheses, the pilot projects worked as intended.

Although the data suggests that the overall pilot project was successful, it is difficult to determine which components of the pilot project were the key components of its success. Was it the new sanction policy or the increased collaboration? To what extent was it a combination of

factors? The limitations of the research design of the pilot projects restrict the ability to fully understand the outcomes of the projects.

4.2 Department of Human Services Evaluation Efforts

This report is the first in the current era of performance management to evaluate an ongoing method of providing a service in the area of economic assistance. Likewise, performance measurement, together with the ability to pilot differing methods under welfare reform is a new combination. Also, the flexibility available in the TANF block grant allows states to make changes in their programs. Any changes can now be guided, at least partly, by evaluation results.

By undergoing this process, the Department has developed greater expertise at performance measurement and evaluation. Hopefully, this report is considered a good first effort, however, the Department can do better.

- When possible, have an experimental design with random assignment.
- In development of future pilot projects, include a research/evaluative staff person to provide technical assistance for the inclusion of appropriate measures and clear statement of quantifiable objectives.
- Have a formal evaluation plan in place with testable hypotheses and a time line.
- Coordinate, to the extent possible, among multiple projects to test policy variations, replicate findings, and test implementation.
- During project development consult national research and previous Department projects in order to better clarify the program and research objectives.
- In preparing an evaluation, develop a clear sense of project management, responsibilities, and product expectations.

Applying these suggestions may be useful for current pilot projects. In Benson County many of the same features are being tried. There is also an employment incentive that is unique to that pilot project. A refinement of that pilot project could allow better measurement of the unique aspects of that program without the complicating influence of minor variations from items already tested in other pilots.

In the southeast region, there is a pilot effort based on the extension of enhanced mental health services to TANF cases beyond Cass County. There has been little in the way of consideration as to how that effort will be evaluated. It builds on the pilot project discussed in this paper, but the evaluation will likely be much different, focusing on process questions of scale and implementation, with an eye toward feasibility in other areas of the state. As such, it is more of a program management study.

These examples highlight a tendency in social services broadly to move forward with ideas based less on hard data and systematic review, but rather on anecdote and observation of those directly involved. While both are important, the latter are influenced by subjective judgments and may be limited to a narrow set of experiences. The statewide sanction policy was changed in March 2003 before availability of the evaluation.

Program performance evaluation is not infallible, but properly done can greatly augment experience and judgment. It can help quantify, budgetize, and operationalize the work done, the services provided, and the ideas people have to better do their jobs. Others can be helped to

understand and those doing the work can have their efforts confirmed. Useful efforts can proceed and grow; marginal programs can end; and, resources better allocated.

An independent portion of the Department working with the program divisions on evaluation, offers a way to provide the technical expertise, some arm's-length objectivity, and a bigger picture understanding of a program's place in conjunction with other facets of the Department and society.

4.3 Areas for Further Study

Throughout, the report notes items for further study. Foremost is to augment the texture of understanding by going beyond administrative data to the TANF clients themselves, current and former. Since the pilot project intended to change behaviors, directly surveying clients can bring better knowledge about how the incentives influence decisions. Of particular interest would be to survey clients from sanctioned cases that close. How are they able to remain off TANF? A clearer picture is needed of those who are least well off, who do not return to TANF, and who do not appear to have other resources or employment. Conversely, there are those who do exceptionally well; what can be learned from them to benefit others? Observations by staff provide multiple anecdotal bases for the belief that case management works. Surveys of clients could confirm this and help explain how and why.

The goal of TANF is to help people during a period of temporary need. However, so much contributes to a family coming to need TANF. There is a need for more information on a host of related issues. A few are listed below.

- What types of outcomes were seen with TANF clients utilizing MH/SA services at the HSC?
- What is the relationship among the various economic assistance programs for families working their way off TANF? Are there adequate supports? Do families encounter any adverse incentives?
- With TANF re-authorization by Congress likely to include more work requirements, a detailed look at client work activities comparing the pilot and non-pilot counties may provide some useful insights to help the state comply with the stronger requirement.
- There should be a disciplined look at how the availability and cost of child care affect a family transitioning off TANF.
- Concerning the pilot project, more needs to be done to identify any adverse impacts. Of particular note is the use of Child Protection Services/Foster Care. Nevertheless, other measures of family and child well being should also be studied.
- Now six years into welfare reform, much is said about those who remain being the most difficult to serve. This population and their characteristics need to be better quantified. It is not clear that the notion of the population being different is true. If it is, then how are they different; what mix of services would address their needs?
- What contributes to the decrease in earnings noted in the first couple of quarters post exit? How does this interact with recidivism? What can be done to improve the transition to self-sufficiency?

5. RECOMMENDATIONS, IMPLICATIONS, AND CONCLUSION

5.1 Recommendations

5.1.1 Improve TANF case management in other areas of the state

Include joint case planning and joint assessment with the JOBS program. Require joint efforts in the contract with any JOBS provider(s). When appropriate to the client's needs, include other service providers in case planning and review.

5.1.2 Develop Mental Health and Substance Abuse counseling services for TANF clients in other areas of the state through Regional Human Service Centers

MH/SA abuse counselors who are familiar with the requirements and culture of the TANF program can better tailor treatment to TANF clients and communicate with TANF program staff. These resources may already be available within the regional Human Service Centers.

5.1.3 End Progressive Sanction Policy

This was done in March 2003 when a new sanction policy was implemented statewide. The new policy shares many similarities with the pilot projects; namely, the ending of the progressive sanction and the creation of a quick move to case closure. The primary remaining difference is a one-month penalty period of a reduced grant and case closure for a month if the sanction is not cured. Suggest review of this policy after one year, with special attention toward any breaks in service and agency contact. Does Cass County's experience help in understanding how sanctions influence behavior. Weak outcomes in earnings for sanctioned individuals in Williams County may argue for a less severe approach.

5.1.4 Revise Earned Income Disregard Policy

Current policy limits incentive to one year, decreases the amount of incentive over time starting at four months of earnings, allows the incentive only once, and removes the incentive as a method of penalty for late paperwork submissions. If the program goal is self-sufficiency through earnings, and, if incentives are believed to be useful at one point, then the incentive should continue to be useful.

5.1.5 Explore the management of difficult TANF cases from the Human Service Centers

When the level of services requires coordination among providers, case management may be better situated at the Human Service Centers.

5.1.6 Develop a new assessment instrument for TANF clients and use it jointly with the JOBS program

This item is in progress with rollout expected in late-2003. A better tool is needed to identify client needs and strengths. Better communication of results is needed among agencies.

5.1.7 Define Self-Sufficiency

In its report to Congress, the Agency for Children and Families (ACF 2002) described self-sufficiency as receiving less than half of family support from economic assistance programs. The North Dakota Department of Human Services has termed non-receipt of TANF as self-sufficiency regardless of the extent of use of other economic assistance.

From this and other studies, clearly self-sufficiency needs to extend beyond merely the non-receipt of TANF. A family that moves off TANF is typically still vulnerable, has a low income and is reliant on other assistance. Often the smallest unforeseen additional expense or problem puts them back on TANF. The concept of self-sufficiency needs to reflect the goal of helping keep people off assistance through their own means. There should be a greater interaction among agencies toward outlining self-sufficiency and the joint roles in helping people to achieve it. Among DHS economic assistance programs, further coordination should be part of new efforts with regard to the TANF population.

5.1.8 Improve Performance Measurement and Establish Baselines

In North Dakota's TANF program and through contracts with other providers, there needs to be a keener sense of performance improvement measurement. At the national level, the re-authorization debate has several proposals that would require enhanced performance management. In TANF/JOBS, a particularly difficult challenge has been to show that individuals make progress while engaged with the program and its requirements. The data available typically are process oriented, e.g., showing numbers served, etc. In this study, an array of measures together show that a set of policy changes improved outcomes in general. Still, little is understood about how an individual makes progress. This is unfortunate because program successes leave and are replaced by new people who are at the starting point in terms of barriers to employment or problems that led them to TANF. Too often case closures and caseload decline are seen as success, when, in fact, those are often beyond the program's control. The program can deliver services, but cannot necessarily show they are helpful. How, and to what extent, do program efforts affect clients? Establish baseline against which to measure these effects. Develop a model for improvement.

Perhaps the Grand Forks Mentor Project along with the Mentor/incentive effort now in place in Williams County offer a suitable format for developing measures of client progress while still in the program. The Grand Forks project has moved many items usually covered by case file narrative, into quantifiable, searchable, and easily analyzed data.

5.1.9 Second Quarter Drop in Earnings

Again seen in this study is the phenomenon of former TANF clients with earnings, showing a significant loss in earnings a couple quarters post TANF exit (see appendix for detailed earnings data). This has been observed in our leavers study data and in numerous leavers studies nationwide. The typical pattern is a roughly 30% drop in earnings in the 2nd quarter post exit. As this is an amount for those who have earnings, it does not reflect lower average earnings due to those who leave the workforce (ASPE 2001, Melby 2003). These people remain employed and have reduced earnings. In the same observed pattern, earnings then improve in subsequent periods. This pattern of lower earnings along with those who no longer have earnings may indicate a period of

vulnerability for those recently off TANF. In order to help keep these families moving toward self-sufficiency this pattern should be studied and steps taken to help families retain jobs and improve wages during this period of possible vulnerability.

5.2 Implication for Caseloads

There was a dramatic change in the TANF program in the pilot project counties. Clients used the program for shorter periods and then left. But with clients coming on and going off more frequently, there are more clients through the course of the year. This has implications for county administration. Had clients stayed on TANF for the same length of time as in other counties, the effect would have been to have more cases on average each month.

Using Cass County as an example, an estimate of what the caseload might have been without the pilot project utilizes the use ratio discussed at 4.1. The ratio increased by 40% from before the pilot project (1999) to post implementation. To maintain the same use ratio, caseloads would also have had to have gone up by 40%. Instead of the 310 currently, the caseload would now be 434 on average per month. The 124 additional cases would have received an average of \$366 per month, or a total of about \$45,400 per month and \$545,000 per year in TANF assistance. This does not include other related TANF benefits.

Caution is required in this type of counter-scenario; there are many other influences. This analysis only shows that there is likely a significant caseload reduction and cost savings resulting from the pilot project.

For county administration, the structure for delivery of service would necessarily shift to place more emphasis on application and intake, since cases are cycling through more quickly. This could very well mean no savings in administrative costs, as establishing new cases is more time intensive than monthly maintenance of existing cases.

5.3 Conclusion

In keeping with the philosophy of reducing dependency through job preparation and work, the pilot projects have made the welfare program truly more in line with *Temporary Assistance* as the program's name implies.

The study examined the level of success at implementing the pilot project, and, in most instances, the changes and the directions of change were as intended by the steering committees. Where there were similar policy initiatives in the two pilot project sites, there were corresponding changes in outcomes.

Success from a combination of collaboration and case management are evident in both pilot projects. Collocation in Cass County made compliance easier for clients. Eligibility supervisors in Cass County report improved client satisfaction survey results for the area administering the TANF program. Workers report improved relationships with clients, and improved communication (Swenson 2003). Greater openness and trust allows available services to be offered including mental health and substance abuse services.

Case managers explain that the pilot project has moved them beyond welfare with its processing and verification of paperwork. They admit to apprehension about taking on a greater role, but have been supported and relieved by the expertise available through the team approach to case

management. The client perceives the collaborative effort and is more likely to cooperate with each team member.

The other side of case management is the sanction policy. Both more severe in its swiftness to case closure, and more humane in its shorter penalty periods, the policy is intended to support case management efforts. That the new sanction imposes a financial penalty is not new, what is different are the lengths taken to avoid a sanction. These day-to-day client encounters cannot be shown through data analysis, but are very real and important. Because of the case closure threat in the sanction policy, staff, together with the client, focuses on the underlying problems and all options are explored before imposing a sanction. In Cass County, the case can be re-opened at any time if the client cures the sanction with a 10-day trial. They are able to then resume contact sooner with the agencies and available services. While complete case closure seems harsh, ultimately it allows greater program involvement by the family. The pilot project sanction policy eliminates the ambiguity in both Williams and Cass counties.

The analysis showed an increase in the rate of sanctions in Cass County even with the efforts at avoiding sanctions. This points to initial resistance by clients to comply with the work orientation of the program. It also indicates that the sanction policy is likely the key, contributing factor to the pilot project outcomes. But without the case management, collaboration, and collocation the pilot project would likely have been less successful.

An eligibility supervisor explains:

We see it so often. At first people are angry. They don't want to follow the rules because they either view them as too controlling or they don't see how they apply or 'make sense' in their lives. And so they're sanctioned. Now faced with case closure at the end of the month, they're finally forced to deal with underlying problems. That's when we can help. And we really can, because there are so many services available. Later, when they close their TANF case, we believe they're not coming back. ...and often, they tell us how much we've helped them. (Schock 2003)

APPENDIX MATERIALS

Figure A1. Cass County TANF Leavers Earnings by Quarter

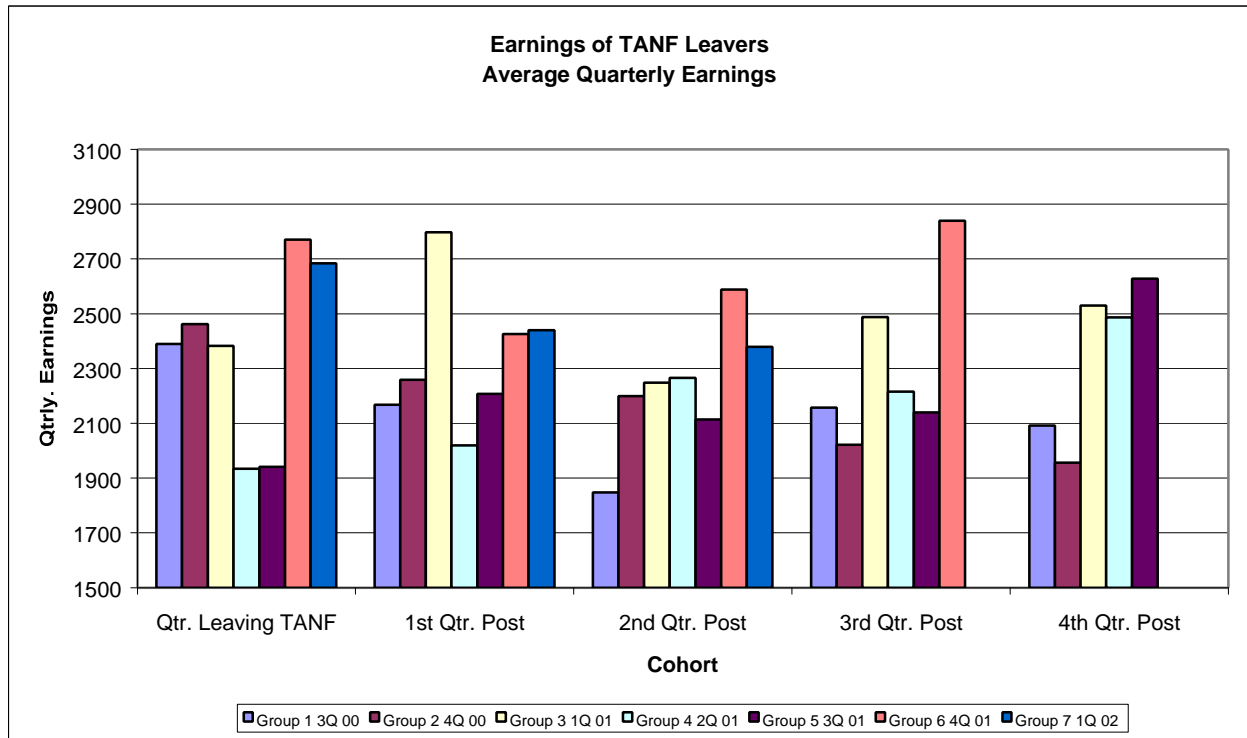


Figure A2. Cass Counties Leavers Earnings by Cohort

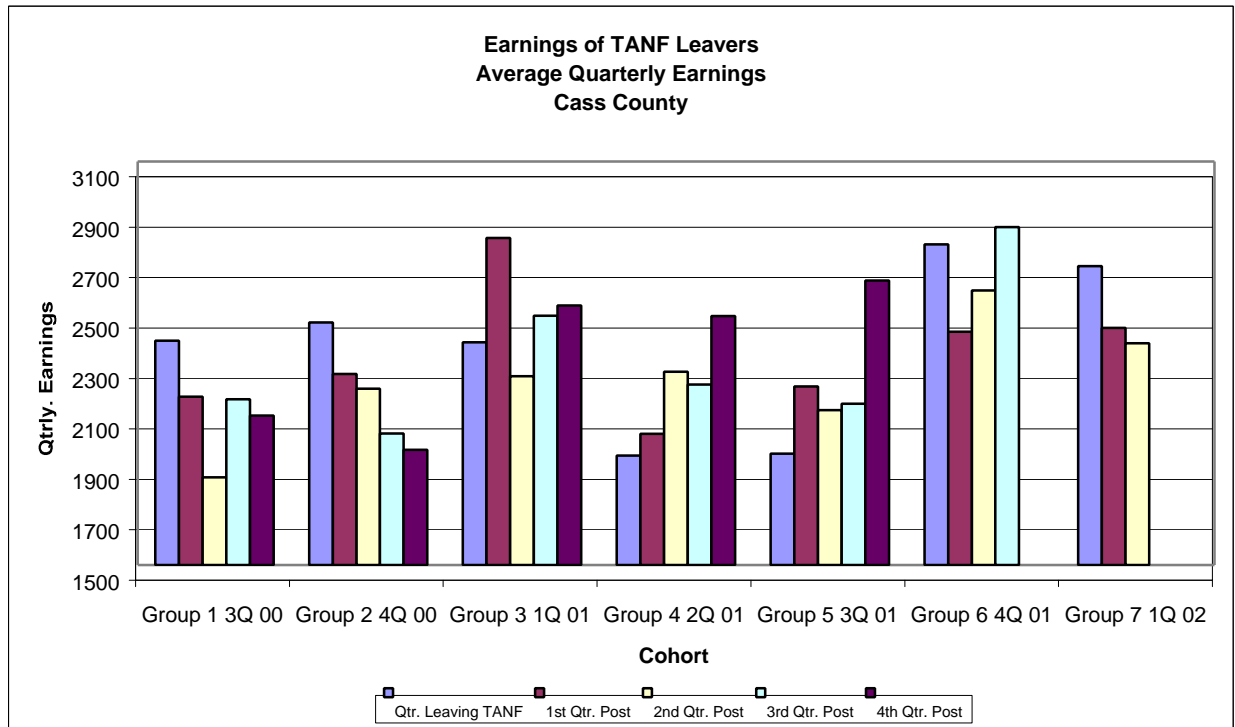


Figure A3. Williams County Leavers Earnings by Quarter

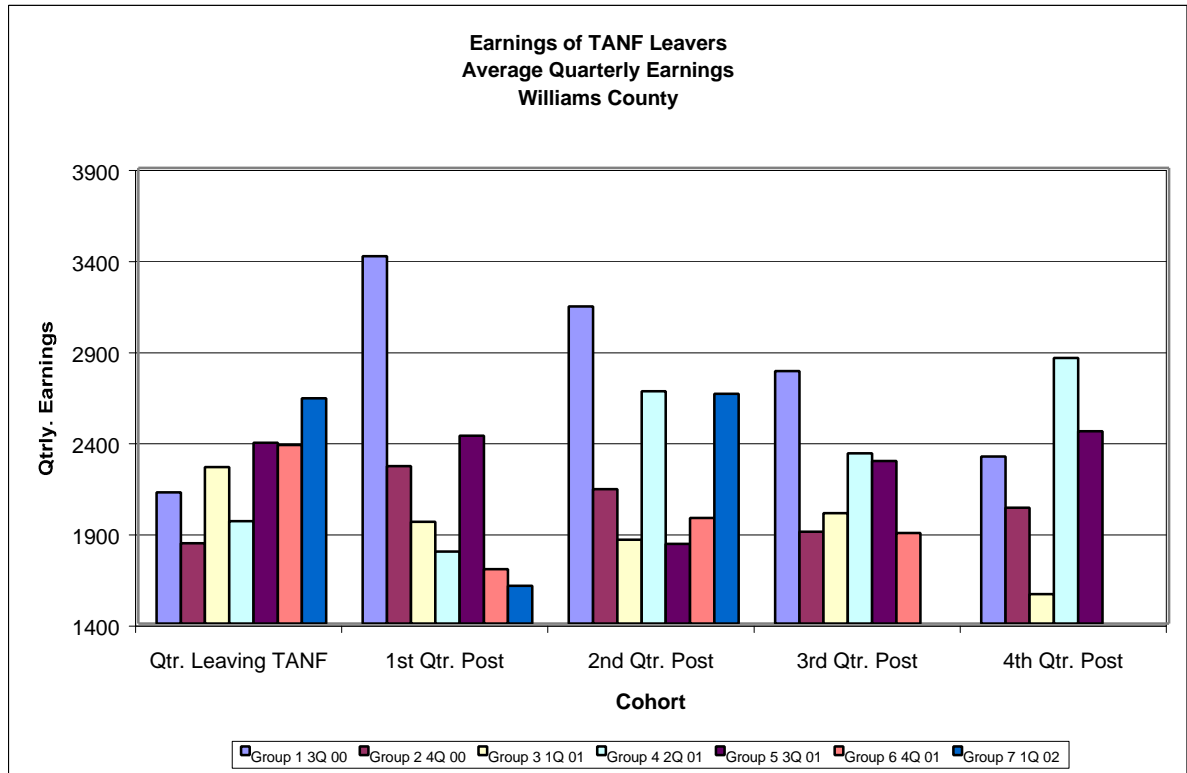


Figure A4. Williams County Leavers Earnings by Cohort

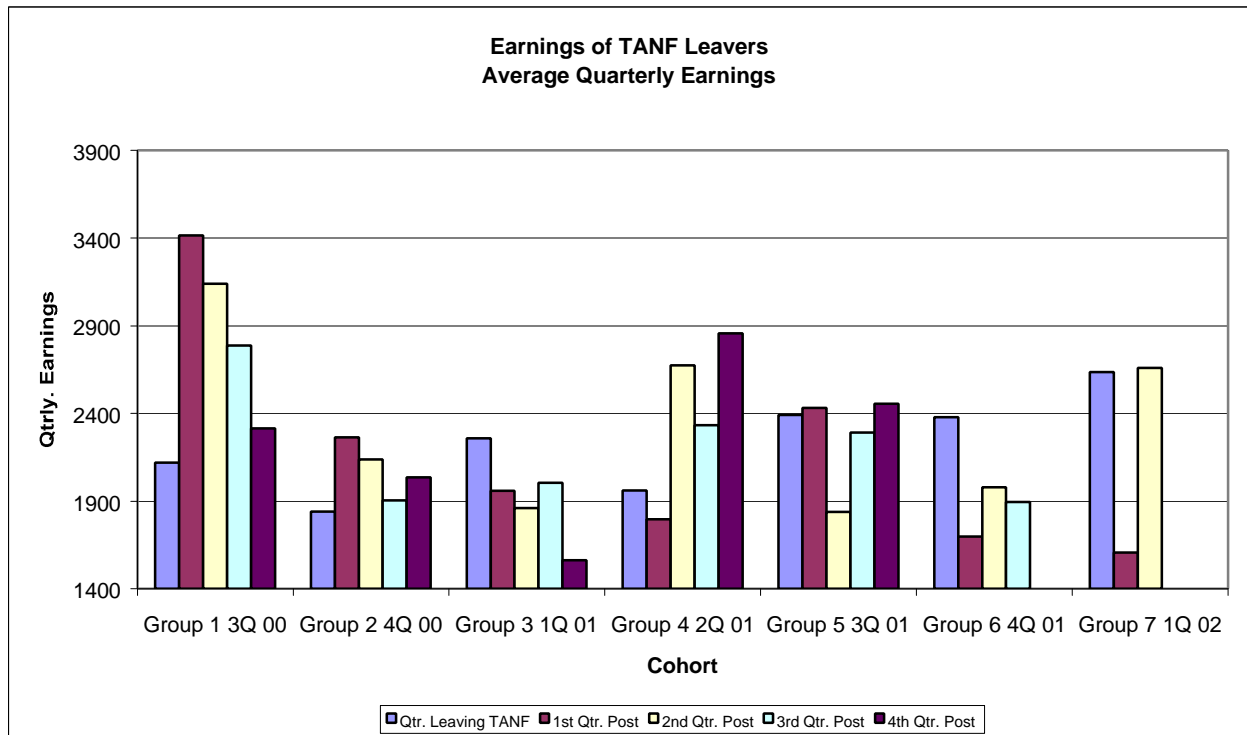
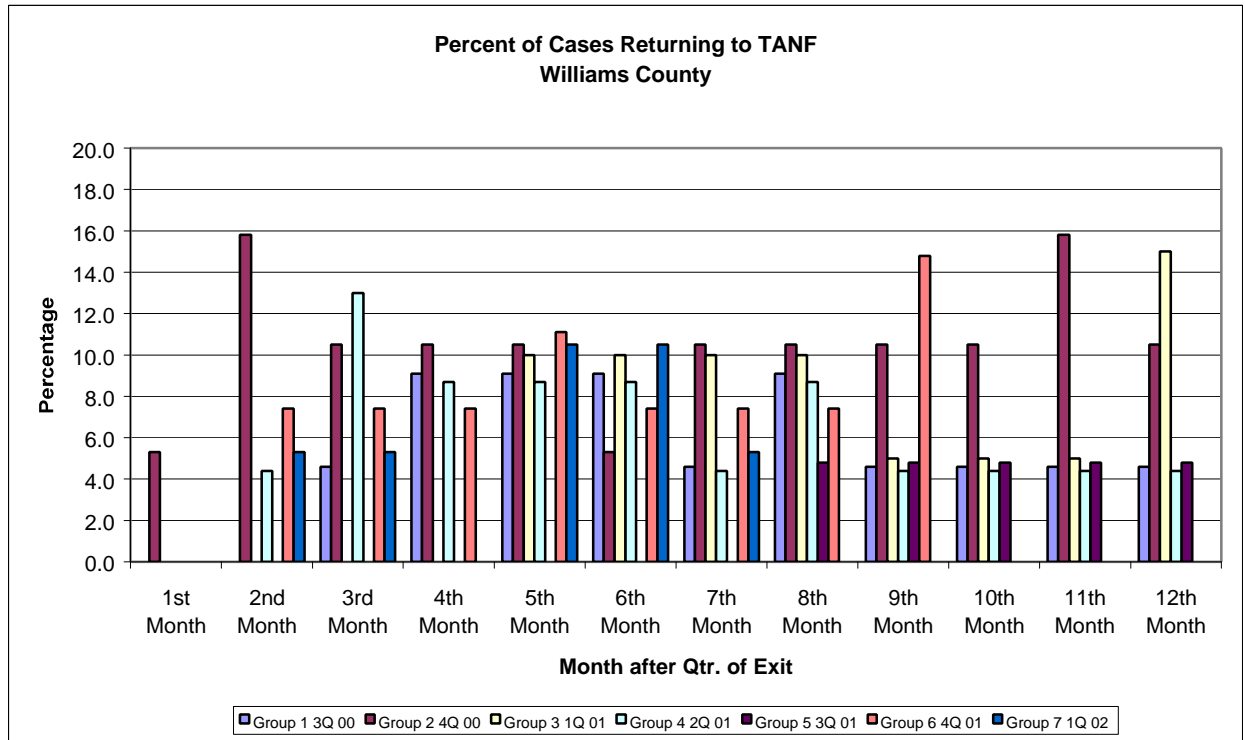


Figure A5. Williams County Leavers Percentage Rate of Recidivism by Month



A6. Statistical Tests

Statistical tests provide a method to know whether observed trends are just a coincidence of the way the data is being viewed or presented, of if there is a true difference among groups or over time. A statistical test considers the range of values among a set of observations to determine if a comparison to a different group is significant.

Researchers normally present results of statistical tests for their findings. This report offers only a few statistical tests. The evaluation evolved as a set of short, limited looks at different aspects of the pilot projects. These were performed by different staff members and separate, limited data extractions were done for each. Later, as it became apparent that there were things of interest in the pilot projects, the analysis was rounded out to give a more comprehensive picture of the entire effort.

As the last of the analyses were done, the research team realized that no statistical tests had been conducted. With data in many small files or only as queries, running statistical tests were time consuming in the re-formation of the variables into a suitable format for such analysis. A complete set of statistical tests could not be done without further delaying the completion of the report. The statistical tests were targeted for the earnings information. These were felt most important due to the concern that individuals might be negatively affected by the pilot projects in terms of post-TANF earnings. Also, recidivism in Cass County and work activities in Williams County were tested. The research team will be available to complete further statistical tests.

T-Test for Williams County Work Activities Compared to Expected Value (statewide average)

Quarter	Expected Value	N	S.D.	Std. Mean Error	t	df	Sig.	
Q3-2000	17.8	92	11.62	1.21	2.596	91	.011	**
Q4-2000	20.2	103	11.28	1.11	2.894	102	.005	***
Q1-2001	19.9	124	9.46	.85	-0.499	123	.618	
Q2-2001	19.0	116	10.99	1.02	4.081	115	.000	***

* = Significant to 90%;

** = Significant to 95%; and,

***= Significant to 99%.

Analysis of Variance among Groups after Leaving TANF and Returning to TANF.

	F	Sig.	
Returned in Month 1	1.049	0.382	
Month 2	0.323	0.862	
Month 3	0.335	0.854	
Month 4	2.017	0.092	*
Month 5	0.876	0.479	
Month 6	0.566	0.687	
Month 7	2.319	0.057	*
Month 8	2.953	0.020	**
Month 9	4.534	0.001	***
Month 10	8.254	0.000	***
Month 11	5.986	0.000	***
Month 12	4.279	0.002	***

* = Significant at 90%;

** = Significant at 95%; and,

*** = Significant at 99%.

T-Tests for Earnings Post TANF Cass County Fourth Quarter Post TANF

Quarter Left TANF	N	t	Sig.	
Q3-2000	35	0.444	0.660	
Q4-2000	44	2.044	0.047	**
Q1-2001	41	1.527	0.135	
Q2-2001	30	2.616	0.014	**

** = Significant at 95%.

Comment: The concern with earnings was that former TANF clients might have lower earnings due to an adverse impact of the pilot project. Here the analysis finds a significant improvement in post TANF earnings for groups leaving TANF after the start of the pilot project. This does not necessarily mean that the pilot project was responsible for a gain in earnings, but it seems to discount the concern that the pilot project would reduce earnings.

Williams County Fourth Quarter Post TANF

Quarter Left TANF	N	t	Sig.	
Q3-2000	9	-1.086	0.309	
Q4-2000	11	1.130	0.282	
Q1-2001	8	0.828	0.435	
Q2-2001	10	0.729	0.483	

No significant difference in mean earnings among groups.

Williams County Quarter Leaving TANF

Quarter Left TANF	N	t	Sig.	
3Q-2000	9	-0.968	0.361	
4Q-2000	11	0.741	0.476	
1Q-2001	8	1.406	0.202	
2Q-2001	10	0.847	0.419	

No significant difference in mean earnings among groups.

Comment: While the mean earnings were higher for each subsequent quarter, the statistical test indicates that there is no significant difference among the groups.

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PRESENTATION SUMMARY



***Beyond Welfare:
Cass and Williams
Counties' TANF Pilot
Projects***

August 4, 2003

Presentation Summary



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Abstract

The Temporary Assistance for Needy Families (TANF) program provides time-limited cash assistance to eligible needy families with deprived children. The TANF program stresses reducing dependency through job preparation and work. In response, Cass and Williams counties initiated similar pilot projects to test new approaches to case management. This report outlines the pilot projects and presents data that suggests they have been successful.

Background

For over 60 years, the traditional welfare program, most recently known as Aid to Families with Dependent Children (AFDC), provided cash assistance to needy families with dependent children. In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was signed into federal law, eliminating the old AFDC program and replacing it with the Temporary Assistance for Needy Families (TANF) program. The new law also allowed states to design their own TANF programs and granted them the authority to test policy changes.

Pilot projects were implemented at Cass County and Williams County to test an intensive case management approach emphasizing employment and self-sufficiency. Eligibility workers, supervisors, and program partners such as Job Service and the Regional Human Service Centers developed the policy alternatives based on their experience with the TANF program and clients. The North Dakota Department of Human Services assisted by providing technical assistance, facilitation of planning discussions, additional financial resources, and evaluation.

Cass County Pilot Project

Cass County, North Dakota's most populated and urban county, has a TANF caseload of approximately 300 families per month, or 10% of the total caseload in North Dakota. The pilot project in Cass County was initiated in August 2000. The following were the primary areas addressed in the pilot project:

Agency Collaboration and Co-Location

Welfare reform emphasizes employment for TANF clients. Therefore, most TANF adult clients are required to participate in the Job Opportunity and Basic Skills (JOBS) program. The JOBS program assists TANF clients in obtaining paid employment with activities such as resume preparation, job search skills, an assessment of work history, and creation of an employment development plan.

In the pilot project, the TANF case manager and JOBS coordinator work together to facilitate the client's enrollment into JOBS concurrent with the TANF application interview. They also work together to improve involvement if a client is not actively participating in work activities. In an effort to facilitate this new cooperation, the JOBS coordinator is co-located in the same facility as the TANF case manager.

Mental Health Collaboration and Co-Location

National studies suggest that nearly one-third of welfare parents are in need of mental health and/or substance abuse services. Because the Vision System assessment failed to identify mental health and substance abuse issues, the pilot project worked to develop collaboration between TANF case managers and mental health professionals. A mental health/substance abuse professional is now co-located with the TANF program staff in the county social service office providing assessments for mental illness and substance abuse problems, monitoring medication, participates in the staffing/review of cases, and assisting county staff in the understanding of mental health needs.

Sanction Policy

A TANF client is “sanctioned” if he/she is required to participate in the JOBS program but does not do so. Before the pilot project, the “progressive sanction policy” had an impact on how a family’s benefit amount was calculated. Under that policy, the sanctioned individual did not count toward the size of the family, reducing the benefit amount by approximately \$150 per month. Repeat sanction resulted in progressively longer sanction periods, up to five months. In addition, the sanctioned adult did not participate in the JOBS program.

The pilot project implemented a new approach wherein the adult continues to be involved in JOBS while attempting to clear the sanction by complying with the work requirements. However, failure to clear the sanction within one month results in full case closure and a loss of TANF assistance.

Educational/Training

The pilot project encourages appropriate education and training to help families move toward self-sufficiency. The pilot project also allows the client two years in which to pursue education and training instead of one year in non-pilot areas.

Study Methodology

To examine the effectiveness of the pilot project, data for TANF clients in pilot project counties was compared to client data in North Dakota’s other counties (balance of the state), before and after the start of the pilot project. This report summarizes two areas.

1) Implementation of the Pilot Project

Five items are presented showing implementation and effects of the program changes.

2) Client Outcomes

Three measures were examined: 1) timeliness to exit TANF; 2) remaining off TANF; and 3) the amount of earned income after exiting TANF.

The evaluation of the pilot project was conducted in the spring of 2003 primarily by using TANF administrative data captured on the state’s Vision computer system.

Implementation of Pilot Project

JOBS Program Collaboration and Co-Location

The pilot project attempted to increase collaboration between TANF case managers and the JOBS coordinators, to increase JOBS participation for TANF clients. The analysis examined two measures related to this: 1) The percentage of clients that were available for participation in the JOBS program; and, 2) the average weekly hours of work activity by quarter for cases participating in JOBS. As seen in the charts below, following the implementation of the pilot project, clients in Cass County were more likely to be available for JOBS participation and were involved in more hours of work activities once engaged in JOBS activities.

Chart 1: Percent of TANF Clients That Are Available for Participation in the JOBS Program by Month

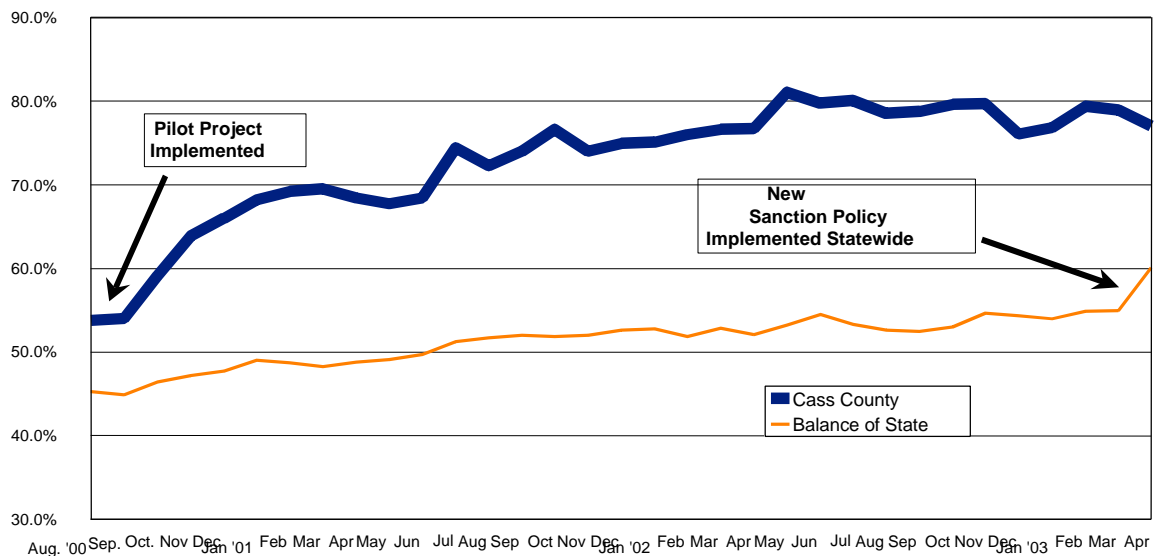
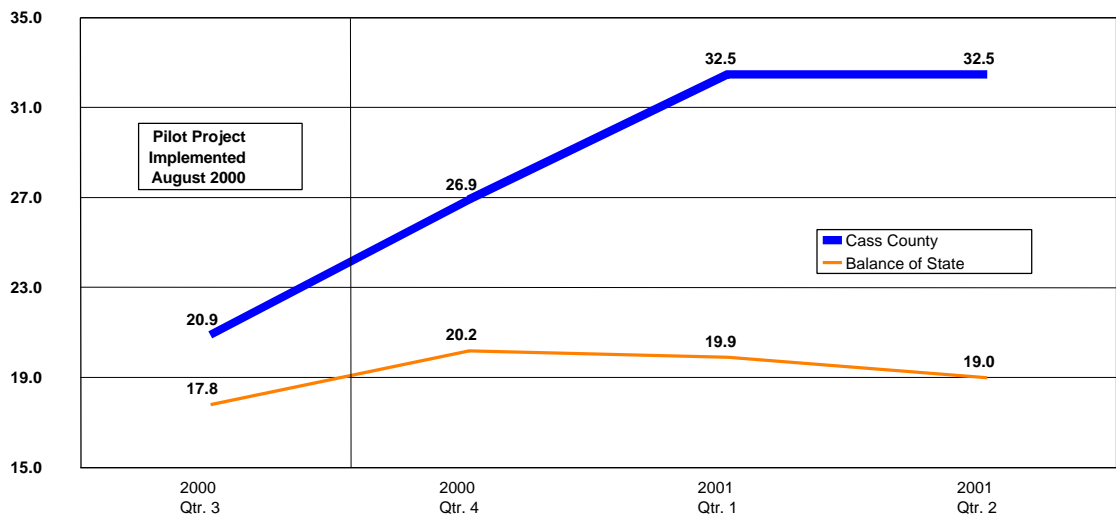


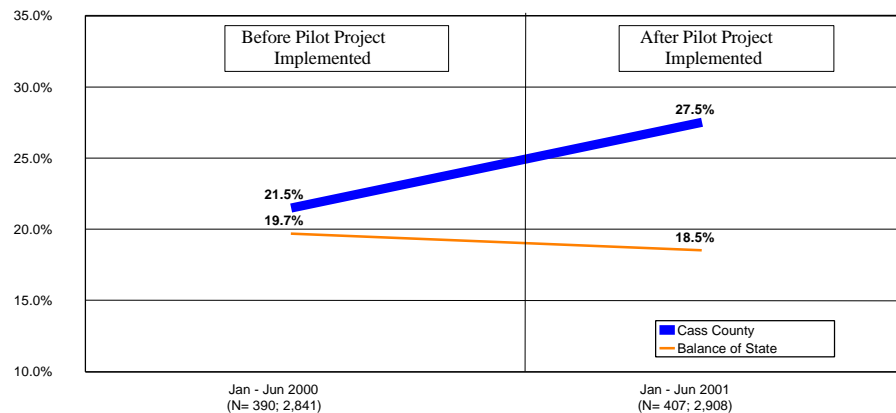
Chart 2: Average Weekly Hours Spent Participating in Work Activities (TANF Clients Who Participated in the JOBS Program)



Mental Health Collaboration and Co-Location

The pilot project also attempted to increase collaboration between TANF case managers and mental health professionals. This included co-location of a mental health professional from Southeast Human Service Center in the same facility as the TANF case manager. To examine whether this collaboration led to an increased use of mental health and substance abuse services at the center by TANF recipients, the percent of cases that received these services was calculated. As illustrated below, the percent of cases receiving these services increased in Cass County following implementation of the pilot project.

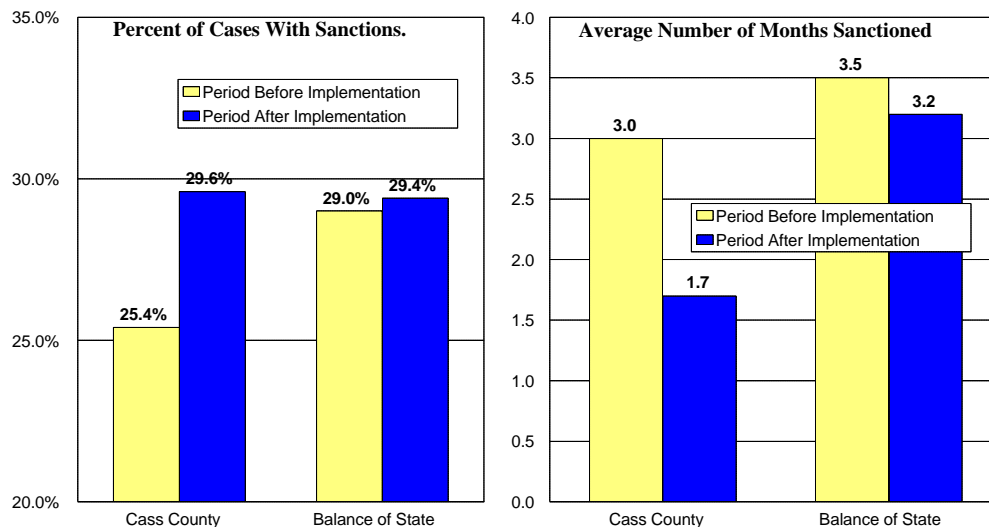
Chart 3: Percent of TANF Families Who Received Mental Health/Substance Abuse Services* While on TANF



Sanction Policy Change

To examine the implementation of the pilot project's sanction policy, TANF cases that received benefits in Cass County were compared to cases that had received benefits in the balance of the state during October 1998 to August 2002. The overall time period was divided into two parts: 1) the period before implementation of the pilot project and 2) the period after implementation. Following the implementation of the pilot project, a greater percent of Cass County cases (29.6%) were sanctioned than in the prior period (25.4%), but those cases were sanctioned for a shorter period of time (1.7 months compared to 3.0 months).

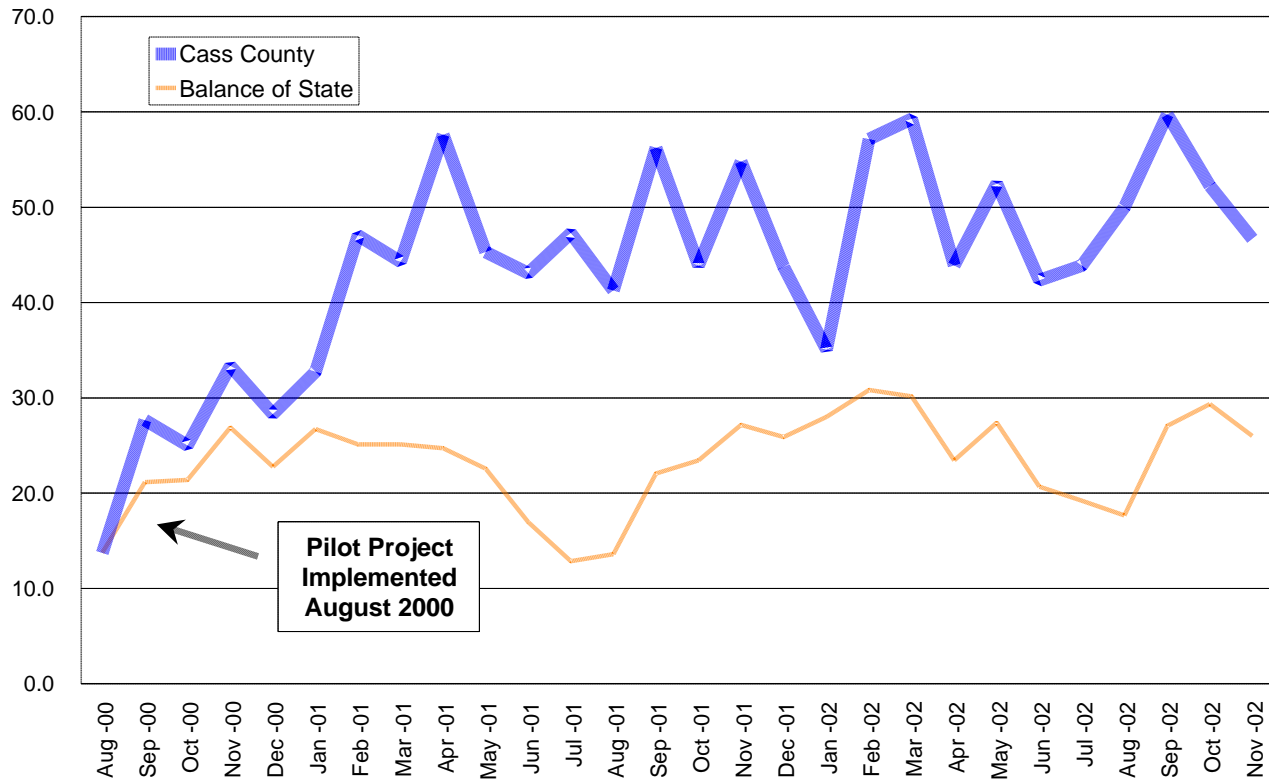
Chart 4: Percent of Cases Sanctioned and Average Number of Months Sanctioned



Education Training Encouragement

To determine the impact of the greater emphasis on education and training, the percentage of clients who met the federal work requirements by utilizing training or education was calculated. As seen in the chart below, Cass County and the balance of the state were nearly equivalent in August 2000, the start of the pilot project. However, Cass County's rate increased following implementation of the pilot project compared to the balance of the state.

Chart 5: Percent of Families Meeting Minimum Work Requirement with Adult in Education Component*



Note: As used in this document, "working" means participating in one or more JOBS program activities during the month for a weekly average of at least one hour. Based on TANF data used for Federal Reporting purposes.
* Includes those in school, vocational education, and in education related to employment

Summary – Implementation of Pilot Project

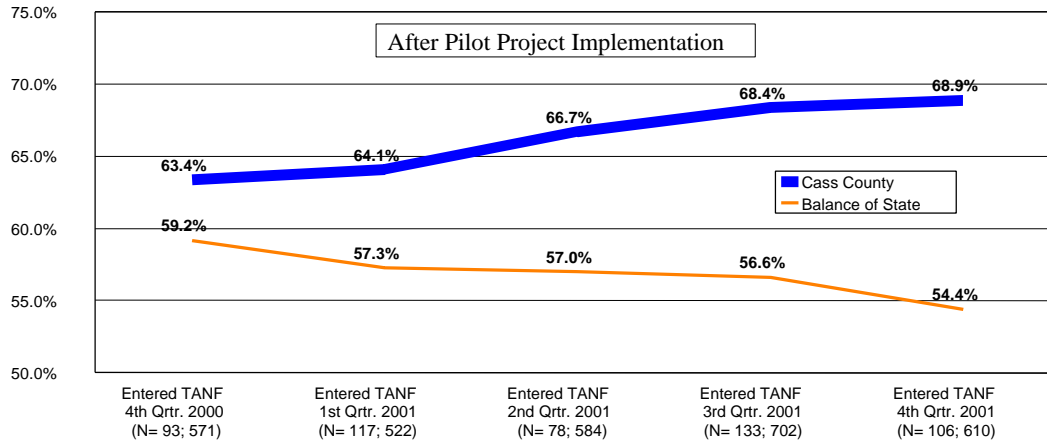
The data in this section suggests that the Cass County pilot project was implemented as intended. Following implementation, a greater percent of TANF cases in the pilot project are available to participate in the JOBS program and the average weekly number of hours increased for those engaged in work activities. Also, clients are more likely to receive mental health and substance abuse services, to be sanctioned but for shorter periods of time, and to participate in education and training as part of their work requirement. The next section examines the net effect of these new strategies on moving TANF clients toward self-sufficiency.

Outcomes – Moving Toward Self-Sufficiency

Timeliness to Exit TANF

TANF is meant as temporary assistance and is limited to 60-months. Quick exit from the program is a step toward self-sufficiency and avoids creating dependency. To examine the rate of exit, the percent of families that left TANF within four quarters from the time of entry was calculated. Clients exited more quickly following initiation of the pilot project.

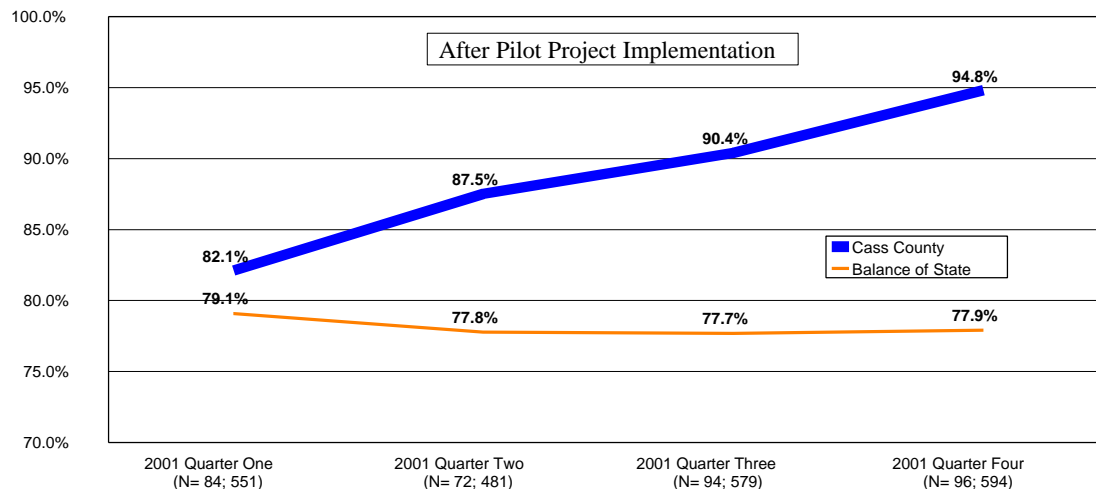
Chart 6: Percent of TANF Families That Exited TANF within Four Quarters (Approximately 12 Months) From Time of Entry



Remaining Off TANF

Another step toward self-sufficiency examined is the percent of clients that did not return to the program once they exited. As seen in the chart below, this percentage was nearly the same in Cass County compared to the balance of the state shortly after implementation of the pilot project. However, this percentage increased in Cass County following implementation of the pilot project compared to the balance of the state.

Chart 7: Percentage of TANF Families That Did Not Receive TANF Four Quarters (Approximately 12 Months) Following Initial Exit from TANF

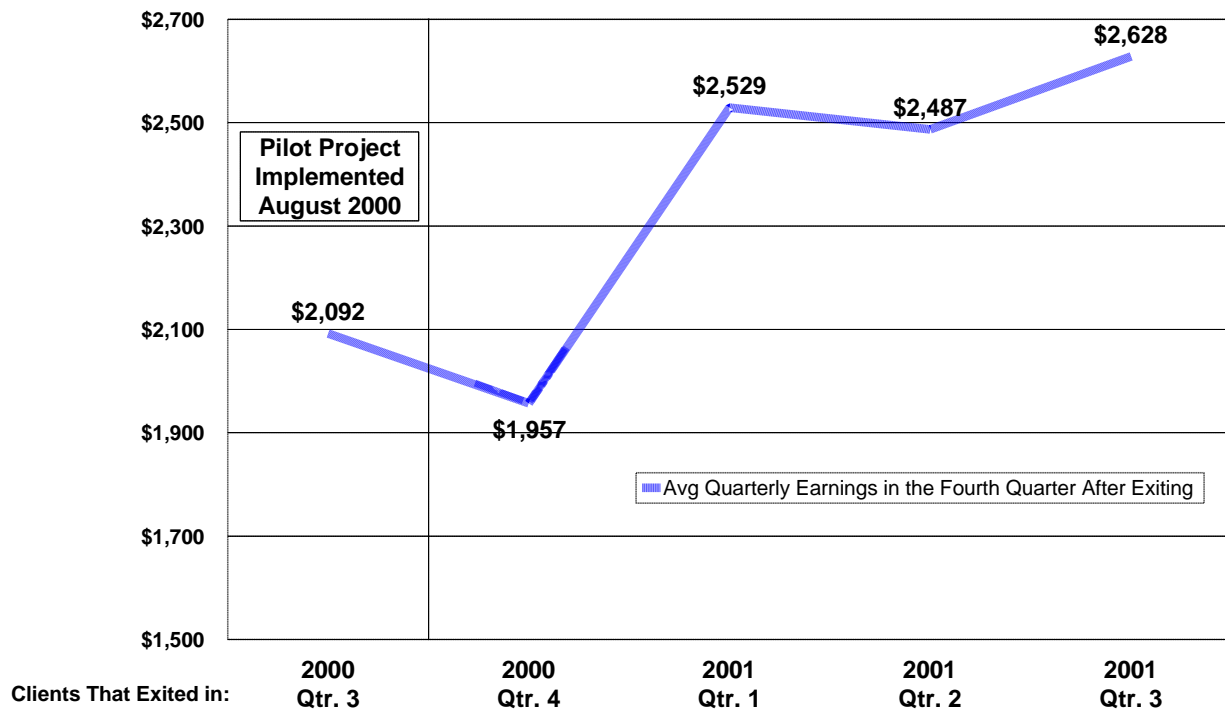


Amount of Earned Income after Exiting TANF

Earnings are the key to self-sufficiency. The pilot projects sought to get people working. There was concern that the pilot project might get people to become employed, but not at higher or increasing earnings levels. The analysis of income looked at earnings after families left TANF. The general trend is an increase in average quarterly earnings after the implementation of the pilot project.

The illustration below is for cases that exited TANF in Cass County and shows average quarterly earnings four quarters after TANF exit. The first group in the third quarter of 2000 (the pilot project was implemented August 2000) earned an average of \$2,092 in the fourth quarter after exiting the program. Following implementation of the pilot project, client earnings were higher.

Chart 8: Earnings Four Quarters After Exiting TANF



Moving Toward Self-Sufficiency – Summary

The analysis of self-sufficiency measures found that following implementation of the pilot project, an increasing percent of clients exited TANF services within twelve months of entry; a growing percentage were less likely to return during the year after they exited; and the average client earned more income four quarters after exiting TANF.

Williams County Pilot Project

Williams County Social Services, serves approximately 70 families per month, or approximately 2% of the total TANF caseload in North Dakota. Located in the Northwest corner of the state, it is different demographically from Cass County. The pilot project in Williams County was implemented in stages, beginning in March 2000.

The following were the primary areas addressed in the pilot project:

- In Williams County, a mentor assists families with goal setting, social support for crisis intervention, barrier resolution, resource referral, appointment assistance, money management, daily living skills, transportation needs, resolution of child care issues and parenting skills.
- Similar to the Cass County pilot project, the TANF case manager and JOBS coordinator work together to facilitate the client's enrollment into JOBS concurrent with the TANF interview and work together to address non-compliance.
- Williams County implemented a similar sanction policy as Cass County: full case closure for failure to comply with work requirements. The case is closed for one-month following the first sanction and three months for subsequent sanctions. Before imposing a sanction, the staff meets with the client to try to avoid the sanction by identifying and addressing underlying problems.
- The Williams County pilot project encouraged education and/or training if it matched the client's needs and increased the amount of time clients could pursue education and training.

Williams County Findings

Outcome measures related to self-sufficiency that were utilized for the Cass County analysis were calculated for Williams County. Because there are fewer TANF cases in Williams County, quarterly information was aggregated into three state fiscal years (July to June). For similar reasons, earnings in the quarter of exit instead of the fourth quarter following exit are shown. As illustrated in the charts, the findings in Williams County are similar to the findings in Cass County. That is, an increasing percent of clients exited TANF services within twelve months of entry; were less likely to return during the year after they exited; and client earnings did not fall after the pilot.

Chart 9: Percent of TANF Clients Who Did Not Return to the Program within 12 Months of Exiting

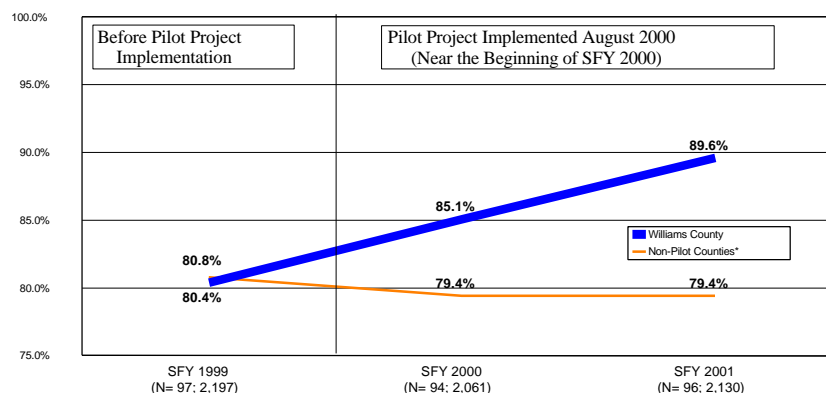
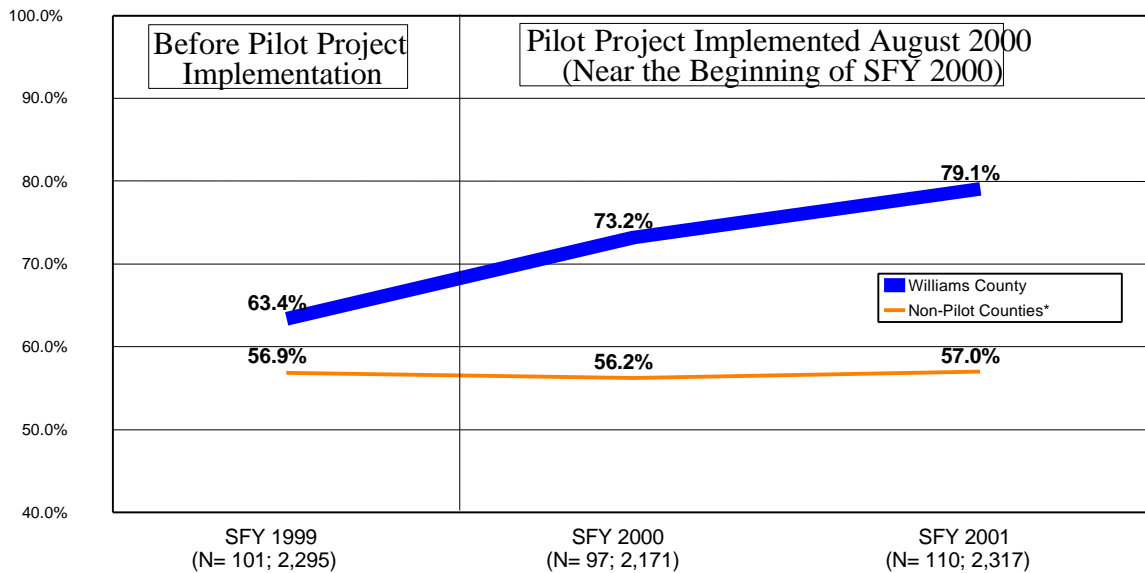
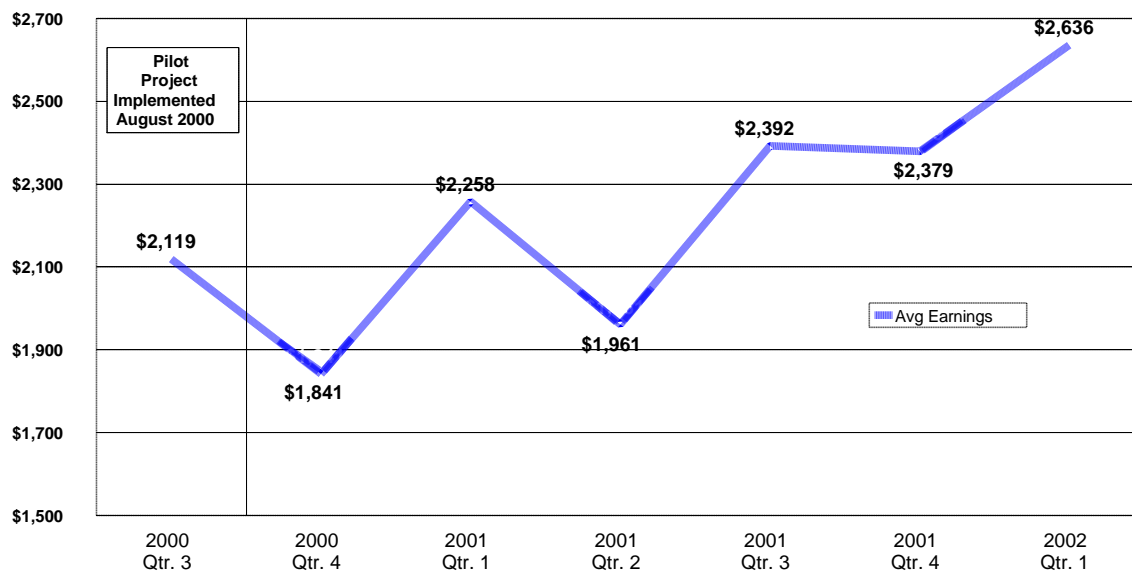


Chart 10: Percent of TANF Clients Who Exited Program Within 12 Months from Time of Entry



**Chart 11: Average Quarterly Earnings - Quarter of TANF Exit
Williams County Pilot Project**



Discussion

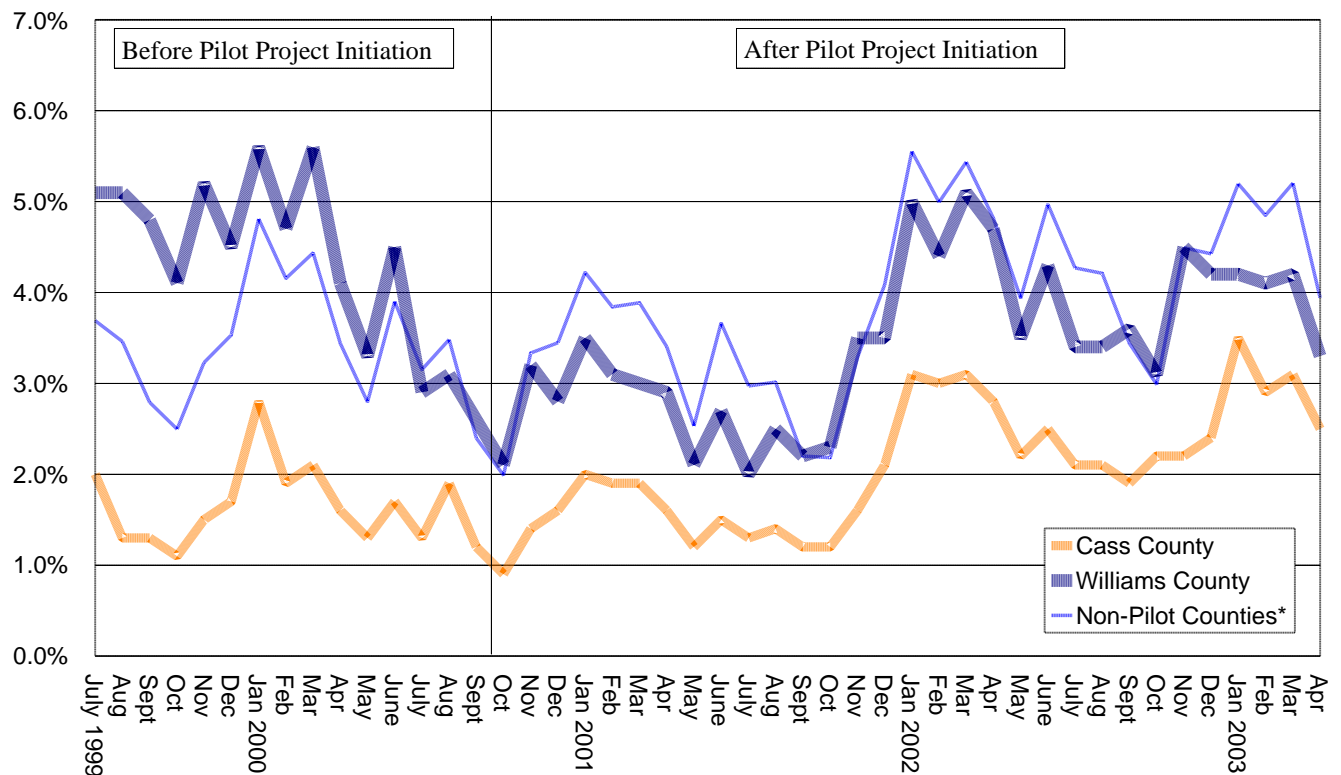
Economic and Demographic Differences

Without a strong experimental design in place for the pilot projects, it is difficult to determine precise cause and effect relationship. Because of the inability to randomly assign clients to the pilot projects, it is possible that the findings presented here are not indicative of their success, but rather reflect demographic differences between Cass County and Williams County and the balance of the state. However, alternative explanations are diminished for the following two reasons:

1) No Corresponding Changes in the Local Economies

If the improvements on the self-sufficiency measures presented here could be best explained by economic differences, economic changes should coincide with these improvements. However, the pattern of economic indicators, such as unemployment rate, did not change in the pilot projects' counties from before to after the start of the pilot project in comparison to the balance of the state.

Chart 12: Unemployment Rates by Month



Footnote: Unemployment rates are not seasonally adjusted.

* Represents statewide cases excluding cases in Williams County and Cass County.

2) Two Different Locations

Cass County and Williams County implemented similar pilot projects. Because both counties showed similar results, even though they are different demographically, it is less likely that the outcomes of the pilot projects are attributable to economic and demographic factors.

Conclusion

Welfare reform stressed reducing dependency through job preparation and work. In response to the reforms, Cass County and Williams County implemented similar pilot projects to test new approaches to case management.

To determine if the components of the pilot projects were implemented as intended, examined the percent of TANF clients available for work participation, the average weekly number of hours worked once participating in the JOBS program, the percent of families who received mental health and substance abuse services at the human service center, the rate and average length of time of sanctions, and utilization of education and training in the JOBS program. The data suggests that the key elements of the pilot projects were implemented as intended.

Client outcomes related to self-sufficiency were also examined. The analysis found that after implementing the pilot project, the percent of clients who exited TANF services within 12 months of entry increased; a growing percent stayed off TANF for 12 months; and clients had increased earnings after exiting TANF. Additional analyses suggest that these outcomes cannot be explained by economic or demographic differences between the pilot counties and non-pilot counties. Taken together, these findings suggest that the pilot projects had positive effects on moving clients toward self-sufficiency.

Recommendations

- **Develop Mental Health and Substance Abuse counseling services for TANF clients in other areas of the state.**
MH/SA abuse counselors who are familiar with the requirements and culture of the TANF program can better tailor treatment to TANF clients and communicate with TANF program staff.
- **Improve Case Management approach in other areas of the state.**
Include joint case planning and joint assessment with the JOBS program. Require joint efforts in the contract with any JOBS provider. When appropriate to the client's needs, include other service providers in case planning and review.
- **End Progressive Sanction policy.**
This was done in March 2003, though not exactly matching either pilot. Review the newly implemented policy after 1 year. If warranted, refine policy with an eye toward that implemented in Cass County.
- **Revise Earned Income Disregards.**
Current policy limits incentive to 1 year, decreases it over time, allows its use one time per client and end its removal as a method of penalty. Incentive for employment should not be limited or their removal used as a penalty.
- **Move management of difficult cases to Human Service Centers.**
When the level of services requires coordination among providers, case management may be better situated at the Human Service Centers.
- **Develop a new assessment instrument for TANF clients and use it jointly with the JOBS program.**
This item is in progress with rollout expected in late-2003. A better tool is needed to identify client needs and strengths. Better communication of results is needed among agencies.

- **Further study other potential policy options—**
 - ❑ **Coordination of process and benefits among economic assistance programs.**
 - ❑ **Implement performance measurements to gain understanding of how clients benefit from services.** (Pilot project in Grand Forks and some recent additions to Williams County [review in late 2003]).
 - ❑ **Explore potential methods to strengthen the transition to self-sufficiency and prevent relapses onto TANF.**
 - ❑ **Analyze employment retention bonuses incentives used in Benson County.** (Summer 2004)